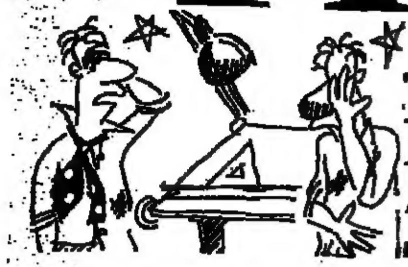
مكتبة الاهرام

FINANCIAL TIMES



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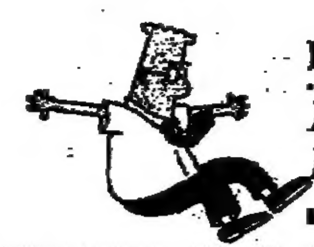

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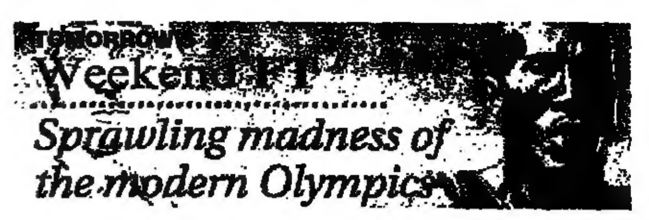

Tomorrow
Weekend FT
Sprawling madness of the modern Olympics

World Business Newspaper

FRIDAY JULY 12 1996

Wall Street plunges over 100 points

End to bull market predicted after computer group issues profits warning

By Maggie Urry in New York and Philip Coggan and Gillian Tett in London

US share prices tumbled yesterday, prompting predictions that the long bull market may have come to an end.

The catalyst was a profit warning from Hewlett-Packard, the computer group, released after the market closed on Wednesday.

The Dow Jones Industrial Average fell by almost 100 points in early trading and an attempt to rally late in the morning failed. By early afternoon, the Dow was 114.14 lower at 5,489.51. The market has not recovered from its near-115 point decline last Friday and as a result was nearly 300 points below its record closing high of 5,778.00 achieved in late May.

Mr Michael Metz, market strategist at Oppenheimer, said: "The whole bull market is over. We have seen the highs for the next year or so." He predicted the Dow could fall to 5,000 by the end of the third quarter.

Hewlett-Packard shares fell by $10⅝ to $78⅝ in morning trading, after its announcement late on Wednesday that order growth had slowed sharply and it was closing its disc drive manufacturing activity, which would result in a third quarter charge against earnings of $150m.

That news followed a warning late on Tuesday from Motorola, the semiconductor and telecommunications equipment group, of slowing growth and increasing price competition. That had pushed the Dow down by nearly 50 points on Wednesday morning, although the market recovered late in the day on computer-driven trading.

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Technology shares were the hardest hit yesterday, with the Nasdaq index, which contains many high-tech stocks, falling 42.39, or 3.7 per cent, to 1098.80 in the early afternoon. However, analysts said the poor technology news was only a catalyst for the market's fall. Mr Stephen Roach, chief economist at Morgan Stanley, said: "The techs started it, but the market has been waiting for an accident. This may be it."

Mr Philip Jordan of Daiwa said there was substantial activity in the market as large investment managers decided to reduce the proportion of their portfolios devoted to shares. They were switching into the relative safety of fixed income securities, driving the bond market higher.

European investors have been concerned for some time that shares on Wall Street look expensive on measures such as dividend yields and asset values.

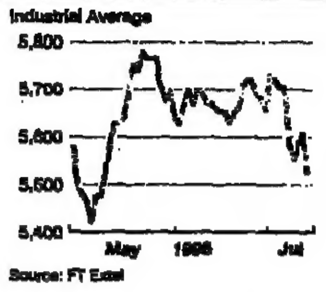
The continued strength of the US market has provoked growing unease in the British Treasury recently. Some officials believe that it presents a hazard in a year that has an otherwise healthy economic outlook.

In particular, officials point out that the pattern of stock market movements over the past year is potentially even more ominous that in the run-up to the 1987 stock market crash.

European stock markets, which have much smaller high-tech sectors than the US, fell only modestly yesterday, with investors conscious that Wall Street has rebounded quickly after previous falls. In London, the FT-SE 100 index lost early gains to fall 16.8 points to 3,749.0, while French and German markets each dropped by around 0.4 per cent.

However, a more sustained decline on Wall Street would hit world markets. Analysts are spotting signs that such a retreat is possible.

Dow Jones



Source: FT Extel

European Court ruling threatens public TV deals

The European Broadcasting Union, the club of public service broadcasters such as the BBC, may appeal against a European Court ruling that cast *doubt on its right* to buy exclusive broadcasting rights. The court annulled a European Commission *decision in* 1993 to give the EBU a five-year exemption to the EU's competition rules, raising uncertainty over the future of long-term multi-billion dollar deals to screen leading sports events such as the *Olympic Games. Page 12 and Lex*

Gazprom to offer 9% internationally: Russian energy company Gazprom, which has hydrocarbon reserves greater than Shell and Exxon combined, plans to offer up to 9 per cent of its shares internationally. Western investment bankers value the gas group at anything between $20bn and $200bn. Page 13

Doctors set to test Aids 'cure': US doctors may be ready by October to test whether a powerful "triple combination" of drugs can eliminate HIV, the virus that causes Aids, after research showing that the therapies have cut the virus by more than 99 per cent. Page 12; Roche seeks Aids drugs go-ahead, Page 15

Deutsche Babcock, the German engineering conglomerate, has won agreement from creditor banks for an additional DM600m ($395m) in funds and is planning to sell its stake in engineering company Schumag, its most profitable business. Page 13

Lloyd's of London has reached a deal over legal action brought by US state securities regulators *which may remove the biggest obstacle facing its* recovery plan. The agreement requires Lloyd's to find up to £40m ($62.4m) extra to help US Names. Page 8

Swiss Telecom in Malay deal: Switzerland's national telecoms operator Swiss Telecom signed a deal to take a 30 per cent stake in Malaysian operators Mutiara Telecom at a cost of *M$710m* (US$285m). Page 14

Mubarak move to improve Turkey ties: Egypt's president Hosni Mubarak, softened recent criticisms of Turkey during a one-day visit to Ankara to meet Islamist premier Necmettin Erbakan. Page 6

French, German exchanges discuss link: The French and German derivatives exchanges are discussing the development of a common clearing system, after abandoning more wide-ranging co-operation plans earlier this year. Page 15

Norway accuses Burma of torture: Norway said it had evidence its honorary consul in Burma Leo Nichols, was tortured before he died in a Rangoon prison last month. Diplomats say Nichols was jailed because of his links with opposition leader Aung San Suu Kyi. Page 7; Western companies encounter protesters, Page 5

Taiwan repeats call for China talks:

Taiwan president Lee *Teng-hui repeated a call* for a summit with rival China's Jiang Zemin, but Beijing responded coolly to the island's *latest* bid to break a year-old political deadlock. During an address to Taiwan's National Assembly, Mr Lee (left) renewed his offer of a leaders' meeting in an effort to break a year-long freeze in relations. Page 7

UN tribunal issues *Karadzic* warrant: *The* UN criminal tribunal for former Yugoslavia in The Hague *issued international* arrest *warrants* against Bosnian Serb leader Radovan Karadzic and his military commander *Ratko Mladic on charges of genocide* and war crimes, reinforcing existing local warrants. Page 2

French post office aid setback: The European Court of Justice ruled that the French government may have provided illegal subsidies to the post office's express mail arm. Page 3

Moscow bomb as Chechen violence rises: A senior Russian commander was killed by a landmine in Chechnya as a wave of violence swept across the rebel region, while in Moscow a bomb exploded on a city trolleybus in what authorities called a "terrorist" attack. Page 2

Sudan refuses food aid drops: The UN said at *least 500,000 people were starving in the rebel-held* southern part of Sudan, and a further 200,000 people were *also* at risk, because the Khartoum government refuses to permit food drops in the area.

■ STOCK MARKET INDICES

New York lunchtime		
Dow Jones Ind Av	5,523.66	(-79.79)
NASDAQ Composite	1,104.82	(-36.37)
Europe and Far East		
CAC40	2,073.66	(-8.19)
DAX	2,575.64	(+8.11)
FT-SE 100	3,749.0	(-16.8)
Nikkei	21,892.58	(+113.64)

■ US LUNCHTIME RATES

Federal Funds	5¼%
3-mth Treas Bills: Yld	5.259%
Long Bond	86¾
Yield	7.063%

■ OTHER RATES

UK: 3-mo Interbank	5⅝%	(same)
UK: 10 yr Gilt	86⅞	(86⅞)
France: 10 yr OAT	105.05	(105.04)
Germany: 10 yr Bund	97.99	(97.93)
Japan: 10 yr JGB	97.9527	(97.8513)

■ NORTH SEA OIL (Argus)

Brent Dated	$19.94	(19.81)

■ GOLD

New York Comex		
(Aug)	$384.8	(383.4)
London		
close	$383.2	(383.05)

■ DOLLAR

New York lunchtime		
£	1.5565	
DM	1.52025	
FFr	5.1442	
SFr	1.25635	
Y	110.165	
London		
£	1.5557	(1.5595)
DM	1.5217	(1.5246)
FFr	5.1497	(5.1602)
SFr	1.2573	(1.2626)
Y	110.236	(110.125)

■ STERLING

DM	2.3673	(2.3683)
Tokyo 5 close:	Y 110.6	

Albania	LEK 220
Austria	Sch37
Bahrain	Din1.250
Belgium	BFr75
Cyprus	C£1.20
Czech Rp	Kc60
Denmark	DKr18
Egypt	E£5.00
Estonia	EKr 22
Finland	FM15.50
France	FFr12.00
Germany	DM4.00
Greece	Dr400
Hong Kong	HK$20
Hungary	Ft230
Iceland	IKr230
India	Rs75
Israel	Shk7.90
Italy	L3200
Japan	Y500
Jordan	JD1.50
Kuwait	Fils.650
Lebanon	LL3,000
Lithuania	Lts 15.00
Lux	LFr75
Malta	Lm0.65
Morocco	MDh15
Neth	Fl 4.75
Nigeria	Naira80
Norway	NKr20.00
Oman	OR1.50
Pakistan	Rs40
Poland	Zl 5.60
Portugal (mainland)	Es240
Qatar	QR13.00
S.Arabia	SR12
Singapore	S$4.30
Slovak Rp	Sk65
S. Africa	R12.00
Spain	Pta250
Sweden	SKr20
Switz	SFr3.70
Syria	S£85.00
Tunisia	Din1.750
Turkey	L90,000
UAE	Dh12.00

Rivals boycott Credit Lyonnais bond deal

By Samer Iskandar

Three leading French banks are boycotting a huge bond issue being managed by Credit Lyonnais, the troubled state-owned bank, claiming that they were offered insultingly small allocations to sell to their clients.

The row has stunned the Paris financial scene, which has been accustomed to seeing the biggest French banks work in harmony. Analysts said Credit Lyonnais might have wanted to maximise its own allocation to boost its *commission income.*

The incident revives recent tensions that cultimated in Société Générale launching legal *action earlier this year in the* European Court of Justice, alleg*ing that state aid to Credit Lyon*nais was distorting competition in the *French* banking market.

The new row is over a FFr40bn ($7.75bn) bond issue being floated by Etablissement Public de Financement de Restructuration (EPFR), a government-guaranteed entity set up last year to help rescue Credit Lyonnais. Last month, the bank said it would securitise part of the FFr135bn loan from EPFR to ease its cash flow problems.

Credit Lyonnais is leading the issue, one of the largest ever issued.

Two private sector banks – Société Générale and Banque Nationale de Paris (BNP) – and the Caisse des Dépôts, a government-controlled financial institution, say they have been squeezed out of what could be one of the French market's most profitable transactions this year. As a result they have boycotted the issue and are threatening to isolate Credit Lyonnais from future deals.

A syndicate manager from one of the two disaffected banks yesterday accused Credit Lyonnais of "breaching practices that have applied since the beginning of the French bond markets".

French banks active in the domestic bond market are usually allocated a fixed percentage of the total amount of bonds to be sold to investors. On issues in which they participate but do not lead, Société Générale and BNP would typically expect to be allocated between 7 and 10 per cent each, while Caisse de Dépôts would get more than 10 per cent.

Yesterday, however, Credit Lyonnais offered only 1 per cent of the total to each of Société Générale and BNP. Caisse de Depots would not disclose the amount it was offered.

Societe Generale and BNP will be tempted to retaliate by exclu*ding Credit Lyonnais from issues* they are leading. However, French *companies* that *issue* bonds are likely to insist on parity of treatment.

Bank clampdown, Page 3

A Roman Catholic woman pleads with Loyalist Orange order marchers as they parade past a Catholic neighbourhood in Northern *Ireland yesterday. The decision by the Royal Ulster Constabulary* to allow the march sparked pitched battles between residents and police and criticism from nationalists across Ireland. It plunged Ulster into further sectarian strife with a Catholic backlash in Portadown spreading to Belfast and other areas. Report, Page 12 Picture: Reuter

Mandela marks dawning of new era with Britain

By James Blitz in London

It has seen many great events, both tragic and uplifting, over the past 600 years.

Yesterday Westminster Hall was the setting for an address by Mr Nelson Mandela, the South African president on a state visit, which put an end to the long-tormented relations between the government of Britain and South Africa's people.

Mr Mandela's speech, delivered without autocues in a powerful voice, gave the day its historic resonance. This was the first time a foreigner had addressed both Houses of Parliament gathered in the hall since President de Gaulle of France 30 years ago. The South African leader recalled how, in 1795, the country in which he was speaking had "entered ours as a colonising power" and that his presence in London "might serve to close a circle which is 200 years old".

Much of that time, "what defined the relations between our peoples was a continuous clangour of arms". History took a turn for the worse when, 80 years ago, his predecessors as leaders of the African National Congress came to Westminster and spoke "eloquently and passionately of the need for colonial power to treat them as human beings equal to the 1820 settlers".

They were rebuffed. "But now we come to you as friends," he told MPs and peers, winning enthusiastic applause from people who may once have thought of him as a terrorist rather than one of the few great statesmen of the late 20th century.

There was praise for British parliamentarians down the ages who battled against apartheid: William Wilberforce, Fenner Brockway – and most notably, the Conservative prime minister Harold Macmillan, who "warned a stubborn and race-blinded white oligarchy in our country that 'the wind of change is blowing through this continent'".

He described Africa as "an ancient continent [which] has bled from many gaping sword wounds". He told his audience: "Both of us have been part of this unfolding tragedy, watching, waiting, troubled, not knowing what beast born of this superhuman suffering slouches towards Bethlehem to be born.

"But this we must know, that none of us can insulate ourselves from so catastrophic a scale of human suffering. In the end, the cries of the infant who dies because of hunger or because a machete has slit open its stomach will penetrate the noises of the modern city and its sealed windows to say: am I not human too?"

He urged the British and South African peoples to "join hands to build on what we have achieved together" – and help construct an African world whose emergence will mean that "a new universal order is born in which we are each *our brother's keeper*".

Japan bank to ease ties with large companies

By Gerard Baker in Tokyo

The Long-Term Credit Bank of Japan, one of the country's leading lenders, is preparing to make large cuts in its equity stakeholdings in Japan's corporate sector.

It will be the first big Japanese bank to break with a hitherto sacrosanct feature of the Japanese economy – the intricate web of cross-shareholdings that tie most large companies to the leading banks.

The bank said the decision was prompted by concern at the extremely low yield on the equities it holds in Japanese companies.

But the move, which is likely to unnerve investors, is expected to be followed by *several other* lenders as the country's banking *system continues to adjust to the* asset quality *crisis* of the past *five years.*

The book value of LTCB's *equity holdings in Japan is just* under Y2,500bn ($22.6bn). The *bank said* it *had* been in talks with several of the companies in which it holds stakes with a view

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No 33,033

LONDON · LEEDS · PARIS · FRANKFURT · STOCKHOLM · MADRID · NEW YORK · LOS ANGELES · TOKYO · HONG KONG

Pay concession wins Communist backing for Italian government's economic policy

Prodi's partners settle their differences

By Robert Graham in Rome

The partners in Italy's centre-left government yesterday patched up their differences over economic policy. They endorsed a three-year macroeconomic programme designed to comply with the convergence criteria for the start of European monetary union a year late, in 1998.

The differences had centred on wage guidelines and had risked undermining the authority of the two-month-old Olive Tree alliance government led by Mr Romano Prodi. The agreement, hammered out over the past 24 hours, was announced yesterday at a meeting of the chamber of deputies budget committee.

All sides appeared to have made concessions. But the most visible winners were the hardliners in Reconstructed Communism who had raised the question of wages and threatened to withdraw their vital parliamentary support.

Although RC fought the April general elections with the Olive Tree alliance, it did not endorse the latter's programme and is not part of the government. Its support, however, is essential to ensure a majority in the chamber of deputies. RC, formed from the hard core of the old Communists, used this bargaining power to insist wages be allowed to rise by up to 3 per cent next year although the government projects inflation at 2.5 per cent.

This demand, also made by the main union confederations and elements within the Party of the Democratic Left (PDS), the government's dominant partner, was accepted by the budget committee yesterday.

The treasury had sought to resist it on the grounds that it risked fuelling inflation. However, the treasury's hand was weakened by the fact that several wage contracts have been, or are in the process of being, negotiated on the basis of a 3 per cent inflation rate for 1997.

In the private sector, 1.7m workers have already renewed their contracts on the basis of the 3 per cent figure; 3m more have done so in the public sector.

Under a 1993 agreement between government, employers and unions, wages were linked to productivity and rises pegged to projected inflation. Real inflation has consistently been at least one percentage point above the projected rate.

RC argued that wage contracts should also be able to recover in large measure, if not in full, lost earning power. The budget committee rejected this, but accepted the inclusion of a directive allowing negotiations for wages during the course of this year to have a 3 per cent ceiling for 1997.

The opposition parties accused the government of having given in to RC blackmail. There was also evident irritation among the Popular party, which forms the centre of the Olive Tree alliance, over the behaviour of RC and the slowness with which the government tackled the problem.

But the government wrung an important concession from Reconstructed Communism – its endorsement of the three-year economic policy guidelines. RC has always been ambiguous if not hostile towards the Maastricht treaty and its commitment to monetary union.

Generals shoot it out in the Russian press

John Thornhill watches top brass trade broadsides over corruption

Russia's generals have recently found a new battlefield on which to fight: the front pages of the nation's newspapers.

Ever since Mr Boris Yeltsin won the presidential elections on July 3, journalists have been busily unearthing corruption scandals within the defence ministry and presidential entourage which lay surprisingly well hidden during the election campaign.

Russia's generals have been the targets of many of these newspaper salvoes. But they have also provided much of the ammunition as a fierce battle rages among the top brass to fill the vacant post of defence minister.

The allegations, though, are now spreading to embrace three of the president's closest associates. That has raised the political temperature in Moscow considerably and will test the seriousness of Mr Yeltsin's recent promises to crack down on corruption in "all echelons of power".

General Lev Rokhlin, one of the few army officers to emerge from the Chechen conflict with any distinction, led the charge last week, elaborating on earlier newspaper allegations of widespread embezzlement within the defence ministry.

Accusations are flying in the fierce battle to fill the now vacant defence minister's post

In particular, the general, who is now a parliamentary deputy, accused General Pavel Grachev, the recently sacked defence minister, of being "mired in corruption and surrounded by spongers and thieves".

Russian television gleefully followed up on the allegations, and showed army conscripts building luxury country dachas, costing $1m apiece, for defence ministry officials. The soldiers were at a loss to explain how their officers could afford such lavish palaces on their regular military pay.

In a stinging response to these charges, Gen Grachev gave an interview to the Nezavisimaya Gazeta newspaper in which he reminded his former colleague of the many kindnesses he had bestowed on him which had involved some bending of the rules. Other generals also pitched in to blacken Gen Rokhlin's name.

By itself, this furore might have little political significance, given that many of the allegations have been aired before and Mr Yeltsin has already dismissed the unpopular Gen Grachev. But the public's taste for scandal was further whetted this week when the Novaya Gazeta newspaper published an article alleging that three of Mr Yeltsin's confidants conducted illegal financial transactions and were linked to organised crime.

In view of the laxity of Russia's libel laws and the cavalier approach of some journalists, it is difficult to gauge the seriousness of such allegations and the reaction they may prompt. One of the men named dismissed the charges as "gibberish", although parliament has demanded an official investigation.

The Russian public has been seized with periodic fits of moral outrage before. The contract killings of Mr Dmitry Kholodov, an investigative reporter, in October 1994, and of Mr Vladislav Listyev, a well known television personality, in March 1995, resulted in mass protests but no convictions. Politicians have often vowed to clean up public life with little result.

So far, Mr Yuri Skuratov, the prosecutor-general, has remained cool about the latest allegations, although he added that he was already aware of many of them.

"While there is a state apparatus, corruption will exist," he said this week. "One must ignore cavalier attacks and concentrate on daily painstaking work to eradicate this influence. Then we really will achieve results."

However, the new and unknown element in the equation is the arrival of Gen Alexander Lebed on the political scene as the president's chief security adviser. The former army officer and presidential candidate, a sworn enemy of Gen Grachev, has just been given considerable powers to implement a tough law-and-order programme.

But he has been treading softly over the latest corruption scandals and some observers suggest his moves may be dictated more by power intrigues within the Kremlin than by any sense of natural justice.

Mr Leonid Radzikhovsky, a speechwriter for Gen Lebed, says: "You can accuse anyone in Russia of corruption, from the lowest traffic policeman to the highest minister, so it is a question of who has the strongest allies and who makes the most convenient scapegoat."

Russian forensic experts sift through the wreckage of a Moscow trolleybus ripped apart by a bomb at the height of the rush hour yesterday morning AP

Lebed adopts Kremlin's tough line on Chechnya

By Chrystia Freeland in Moscow

Mr Alexander Lebed, Russia's outspoken new security chief, yesterday fell into line with the Kremlin's harsh policies in Chechnya, retreating from his view that the breakaway state should be allowed to choose independence.

His hardline shift matched the anxious mood of the Russian capital, which was deeply shaken by the bombing of a trolleybus in the heart of the city at the height of yesterday morning's rush-hour.

No one claimed responsibility for the explosion, which injured the bus driver and four passengers, but police said they were certain it was a terrorist act. Several senior Russian politicians and military officers speculated that it was the work of Chechen separatists.

The blast laid down an early challenge to Mr Lebed, who has been given the difficult job of spearheading a "war on organised crime" in Moscow. He described the attack as "a mindless terrorist act" intended to make Russians "feel a sword of Damocles hanging over them every single day". The suspicion that Chechens could be behind the explosion seemed likely to encourage the government in its new, iron-fisted approach in the separatist region which has blown apart the delicate pre-election ceasefire less than a week after Russia's presidential poll.

The intense fighting which began this week continued yesterday in Chechnya, killing at least 10 civilians, a senior Russian general and one of the top Chechen field commanders.

As the war shifted back into high gear, Mr Lebed, a maverick former general who came in third in the first round of presidential voting, pointedly backed the Kremlin's offensive.

Asked if he stuck by his campaign trail assertions that Chechnya should be allowed to choose independence in a referendum, Mr Lebed belied his reputation for bluntness with a careful retraction.

"Then, I was a presidential candidate who did not become a president. Instead, he became a government functionary who is obliged to implement the government's policies, which is what I am now doing," Mr Lebed said.

His tactful response is an indication that the provincial general, whose furthest ever journey outside the former Soviet Union was to Afghanistan, may be learning the elaborate rules of Kremlin politics.

When he was first recruited to the government team in an effort to boost the electoral chances of President Boris Yeltsin, he seemed poised to become the Kremlin leader's heir. But Mr Lebed's star dimmed after the election, clouded in part by rash nationalist comments which provoked a public rebuke from the US.

Russia's liberal media, which backed Mr Yeltsin's re-election bid to the point of running false scare stories about his Communist challenger, did not share Mr Lebed's new found enthusiasm for the Chechen war.

In a sharp break with their fawning pre-election coverage, Russian newspapers and television lambasted the president, deriding his now abandoned peace efforts in Chechnya as a hypocritical campaign ploy.

Hague tribunal orders arrest of Karadzic

By Bruce Clark in London and Paul Wood in Belgrade

The Hague war crimes tribunal yesterday issued arrest warrants for Mr Radovan Karadzic, the Bosnian Serb leader, and his military commander, General Ratko Mladic. The international community, however, was divided about how to proceed further.

The warrants were issued on the first anniversary of the fall of Srebrenica, the enclave in eastern Bosnia where Serb forces killed thousands of Moslems in what prosecutors have called the worst atrocity in Europe since 1945.

By insisting that all governments have a duty to apprehend the two men if they get the chance, the court has strengthened the hand of those favouring renewed sanctions against Serbia for its failure to co-operate fully with the international effort to punish war criminals.

Serbia's President Slobodan Milosevic promised to assist the tribunal's work when he signed up to the Dayton peace agreement last December. However, the Serbian authorities made no move to arrest Gen Mladic when he appeared in public in Belgrade on several recent occasions.

Diplomats said the warrants would make it easier for Bosnia or its supporters at the United Nations to demand tougher action by the Security Council against Serbia.

However, the leading western policymakers involved with Bosnia appear to be split over the scope and speed of any punitive action against the Serbs.

Mr Carl Bildt, the Swedish politician who is overseeing the civilian side of the Dayton accord, insists that his quiet diplomacy has already gone some way towards reducing the power of Mr Karadzic.

In a presentation to Nato earlier this week, he said he was playing a "cat and mouse" game with Mr Karadzic and joked that "the cat always wins". However, US officials have taken a harder line, saying Mr Karadzic has made no substantial concessions. They say his hardline Serb nationalist party should be disqualified from the Bosnian elections unless Mr Karadzic steps down as its leader.

In Tuzla, where many of the civilians driven out of Srebrenica last year have taken refuge, thousands of Bosnian Moslem women staged emotional public ceremonies to mark the first anniversary of the atrocities in which many of their menfolk died.

The ceremony was attended by prominent women from around the world, including Queen Noor of Jordan and Ms Emma Bonino, a European commissioner whose responsibilities include human rights.

Crying and screaming, the distraught Moslem women pleaded with the international dignitaries for help in finding their menfolk.

Many still cling to the belief that, one year on, there are survivors. Others, though, had given up hope. One women had just been handed her missing husband's identity papers. "We know the woods are full of bones," she said.

In Srebrenica, Serb residents – many former refugees themselves – said their families had been victims of massacres by Moslem forces elsewhere during the war. They were commemorating the "liberalisation" of the town.

Investigators from The Hague were yesterday removing the first bodies of Moslems from Srebrenica allegedly executed by the Bosnian Serb army. Some of the skeletons had their hands tied behind their backs – apparently disproving the Serb claim that they were killed in combat.

Pressure for law and order campaign in Maastricht review conference

EU states revive Euro-FBI idea

By Lionel Barber in Luxembourg

The Irish presidency of the European Union and Germany have joined forces to push for a law and order campaign in the Maastricht treaty review conference (IGC), including revived plans for a Euro-FBI to tackle organised crime.

The call for closer co-operation between EU member states on tackling cross-border crime emerged at a summit of centre-right European People's party leaders in Luxembourg this week. Six heads of government from Germany, Ireland, Belgium, Spain, Luxembourg and Italy, along with Mr Jacques Santer, president of the European Commission, said it was time for EU-wide measures to reassure the public.

Mr John Bruton, Ireland's prime minister, said the concept of a European FBI had received "substantial support" around the table. "It was pointed out that legal measures can take months, while criminals can move money within minutes."

The Irish government's call for EU-wide action against organised crime has grown more insistent in the wake of last month's murder in Dublin of an investigative journalist, almost certainly on the orders of the underworld.

Mr Bruton is also convinced that an IGC based on "safe streets" and "safe jobs" would increase popular support for EU integration at the conference and help ratification of a Maastricht 2 treaty.

Chancellor Helmut Kohl, a longstanding supporter of a Euro-FBI, agreed. Mr Jean-Claude Juncker, Luxembourg's prime minister, said it was time to deepen police co-operation beyond the recent deal to establish Europol, the police intelligence-sharing agency based in The Hague.

However, a campaign for "Euro-bobbies" would face stiff opposition from Britain. The UK government blocked the Europol agreement until last month's EU summit in Florence, chiefly because of concerns about the supranational role of the European Court.

At the Luxembourg meeting – called to celebrate the 20th anniversary of the founding of the EPP – the centre-right and Christian Democrat leaders discussed ways of injecting pace into the languid IGC negotiations. But Mr Bruton was cautious about raising expectations.

As leaders acknowledged reluctantly, the IGC continues to be held hostage to the British general election which must be held by May at the latest. This means it may not be wrapped up until autumn 1997 under the Luxembourg presidency rather than, as hoped, the Amsterdam summit under the Dutch presidency.

The latest calculations are that, in the event of a late UK election, a future Labour or Conservative government would need at least four or five months to negotiate a settlement which would pass muster in the House of Commons. Another legal and political distraction for Britain is the handover of Hong Kong next July.

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EUROPEAN NEWS DIGEST

France toughens Corsica stance

Mr Jean-Louis Debré, the French interior minister, yesterday visited the troubled island of Corsica to appoint a new police chief as part of his efforts to end the current violence.

He appointed Mr Demetrius Dragacci, a Corsican, as police commissioner in place of Mr Marc Pasotti, who was removed last week after just five months in office.

Mr Debré said the role of the police force was "to enforce the law and pursue all necessary investigations to achieve that aim, regardless of the nature of the offences and those who committed them". He said that "all forms of delinquency must be systematically tracked down" and called for more street patrols by the police and enforced action to arrest people carrying guns illegally.

His move comes at a time of growing scepticism about the willingness or ability of the state to control attacks against people and buildings linked both to the nationalist movement and to criminal activity.

Mr Debré's visit comes ahead of a proposed journey to Corsica by Mr Alain Juppé, prime minister, as soon as next week to unveil a package of economic reforms designed to help the island's economy. *Andrew Jack, Paris*

UK holds up Berlusconi inquiry

A Spanish police investigation into the business affairs of Mr Silvio Berlusconi is being held up by a UK court order blocking the transfer of documents relating to the Italian media magnate's Fininvest empire.

Spanish investigators informally approached the UK's Serious Fraud Office (SFO) over a month ago seeking access to documents seized in a raid in London in April. But a planned meeting in London between Spanish fraud investigators and the SFO has been postponed after a legal challenge by lawyers acting for Mr Berlusconi in London.

Spanish police have been told that they will not be able to see the documents in the UK.

The documents relate to a network of offshore companies owned by Fininvest or Berlusconi associates. The companies were officially meant to handle the international film/TV rights payments of Fininvest. But Milan prosecutors believe the companies were also used for tax evasion and delivering bribe money to and from Italy. It is understood Spanish investigators are interested in links between one of the offshore companies, All Iberian, and Mr Berlusconi's interests in the Spanish TV company Telecinco. A High Court Judge last month ruled to delay the transfer to Italy of the Fininvest documents pending a judicial review. No date has been set for the judicial review, but the SFO and the Home Office are going to the High Court today to seek early release of the documents. The Italians say they must complete their investigations by January. *Jimmy Burns, London*

Ukraine general resumes power

President Leonid Kuchma yesterday chose Lieutenant-General Olexander Kuzmuk as Ukraine's defence minister, replacing the first civilian to hold the post in the former Soviet Union outside the Baltic states. Gen Kuzmuk, previously the commander of Ukrainian troops in the Crimean peninsula and currently the head of the elite National Guard, takes over from Mr Valery Shmarov, a military industry specialist dismissed by Mr Kuchma earlier this week.

Mr Shmarov's appointment in October 1994 caused a stir after decades of Soviet practice of leaving the defence ministry in the hands of top generals. He forged a close relationship with Nato and the US, presided over deep cuts in the army and oversaw the process of ridding the country of its share of the Soviet nuclear arsenal. However, he was sharply criticised over unpaid wages and defence cuts.

Mr Shmarov was the latest of a series of ministers to go in a shake-up launched by Mr Kuchma last month when he appointed a former farm manager, Mr Pavlo Lazarenko, as prime minister and accused his sacked predecessor of delaying reforms. Mr Kuchma has also sacked a deputy prime minister overseeing reforms, as well as his agriculture and energy ministers. *Reuter, Kiev*

Poland is invited to join OECD

Poland was yesterday asked formally to join the Organisation for Economic Co-operation and Development (OECD) and will become the 28th country in the Paris-based club of industrial nations once its parliament ratifies the accession treaty early this autumn.

Mr Grzegorz Kolodko, Poland's deputy prime minister and finance minister – who had pushed measures liberalising capital flows and restrictions on foreign investment through the cabinet and parliament to qualify for OECD membership – said the move marked a prelude "to successful talks on European Union accession". These he hoped would end by the year 2000.

The ceremonies in Paris came as Poland's president, Mr Alexander Kwasniewski, returned from a five-day visit to the US satisfied that Poland would be one of the first former communist nations to be asked to join Nato. Mr Kwasniewski said he had been told a Nato summit in December would decide on an accession timetable for new members of the military alliance. *Christopher Bobinski, Warsaw*

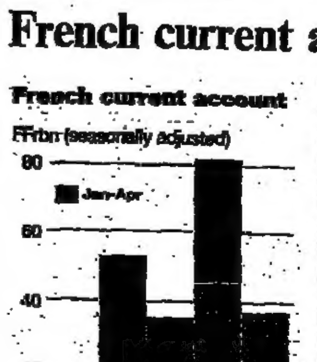
New France Télécom debt rating

The first negative repercussion of France's decision to convert France Télécom into a joint stock company came yesterday when Moody's, the rating agency, lowered its rating of the group's long-term debt.

Moody's, which is downgrading the debt from AAA to AA1, said the move reflected the prospect of a deterioration in the group's financial structure stemming from measures accompanying its change in status, mounting competitive pressures and risks linked to the company's international development strategy. It said the group continued to have solid operational characteristics. The state-controlled operator, which recently agreed to pay the state FFr37.5bn ($7.3bn) for taking over responsibility for paying the pensions, said AA1 was "still a good rating". *David Owen, Paris*

ECONOMIC WATCH

French current account suffers



Source: Datastream

The French current account surplus dropped sharply in April, taking the cumulative decline for the first four months of the year to more than 20 per cent. Seasonally adjusted figures from the ministry of economy and finance yesterday put the April surplus at just FFr1.75bn ($330m), down from FFr10.3bn in March and FFr10.9bn in February. This brought the surplus for the four months to April 1996 to FFr36.27bn – down from FFr45.48bn in the corresponding 1995 period.

Yesterday's figures were foreshadowed last month by a sharp decline in the country's trade surplus from FFr11.94bn in March 1996 to FFr3.82bn in April. Mr Jean Arthuis, the French finance minister, at the time played down the unexpectedly weak performance, noting an "exceptionally strong" surplus recorded in March. *David Owen, Paris*

■ Spanish unemployment fell provisionally to 22.56 per cent of the workforce in April from 22.72 per cent in March, according to a National Statistics Institute survey of households.

■ Finland's trade surplus widened to FM3.65bn ($751m) in February from FM2.97bn in January.

French bank clampdown targets Crédit Agricole

By Andrew Jack in Paris

The French government is considering withdrawing an important privilege from Crédit Agricole, one of the country's largest banks, in the latest indication that it plans to clamp down on competitive distortions in the troubled financial sector.

The privilege is the bank's special rights to operate *dépôts des notaires* – accounts which hold large sums deposited by notaries, the legal specialists who oversee all property transactions in the country. They deposit clients' payments in the accounts until the deals are completed.

Crédit Agricole – a mutual institution – last year held FFr17bn ($3.8bn) in such accounts, on which it is obliged to pay just 1 per cent in interest while earning higher returns by reinvesting the money.

The state-owned Caisse des Dépôts and the Post Office also have the right to operate the accounts in larger urban areas, but the private sector banks have always been excluded. Treasury officials have written to Crédit Agricole renewing its right to operate *dépôts des notaires*. But they are believed to have warned that it might not be extended again when it comes up for renewal again in three years.

Crédit Agricole says the accounts are costly to manage, earn low interest because they are on short-term deposit, and compensate for the FFr500m costs of a government-backed subsidy programme for farmers with financial difficulties which the bank operates.

Competitor banks claim the subsidies are normally a way of writing off loans already made by Crédit Agricole, and are therefore a competitive distortion.

They also argue that the privilege to Crédit Agricole reduces their own ability to attract new clients.

Separately yesterday, the French Banking Association (AFB), which represents France's private sector banks, increased pressure for reform of the system governing another near-monopoly, the control of the Livret A savings product. The Livret A offers a fixed rate of interest tax-free, and the money is passed on to the state to finance housing for those on low incomes. It can only be distributed by the French post office and the Caisse d'Epargne savings bank, with a variant available through Crédit Mutuel, a mutual banking group.

The AFB said its members would offer to operate the Livret A, charging the government 1 per cent commission on the money collected, compared with 1.2-1.5 per cent by the existing institutions. The moves come at a time of growing debate within the French government about reforms to the domestic banking sector, which has suffered from declining income, huge provisions and low profitability over the last few years.

Private sector banks have become increasingly vocal in their attacks on competitive distortions

Mr Jean-Claude Trichet, governor of the Bank of France, this week called on the government to end a number of competitive distortions and encourage a shake-out in the sector.

Private sector banks have become increasingly vocal in their attacks on competitive distortions, notably the existance of privileges granted to mutual banks and state-owned financial institutions with no incentive to generate profits.

Also yesterday, Mr Jean Arthuis, the economics minister, announced a series of measures to reduce the tax burden on international banks and financial institutions based in France, and on their expatriates working in the country.

Prime minister wants Portugal at the EU's 'political centre'

Lisbon seeks early Emu entry

By Peter Wise in Lisbon


Guterres: Portugal nearer to meeting Emu convergence criteria

Securing a place among the first group of countries to adopt a single European currency is as vital to Portugal today as joining the European Community was a decade ago, Mr António Guterres, the prime minister, said yesterday.

Opening a parliamentary debate on the state of the nation, Mr Guterres warned that the countries excluded from the first phase of European monetary union would be left on the periphery of decision-making in an expanded European Union.

"We want Portugal at the political centre of Europe where the decisions are made, not out on the edge where they have to be obeyed," he said in a speech that also marked the minority Socialist government's first eight months in office.

In patriotic tones, he called for a national effort to ensure Portugal's participation in Emu. This would help Portugal regain the international influence the country enjoyed in the 15th and 16th centuries when its navigators discovered sea routes to Africa, India and Asia. Mr Guterres said the single currency was more a political than an economic issue for Portugal.

But he forecast that Portugal would save Es200bn ($1.27bn) a year in terms of public accounting alone if it became part of the Euro group. He also advanced figures to back his conviction that Portugal is nearer to meeting the Emu convergence criteria than any other southern European country. The budget deficit would fall below 4.2 per cent of gross domestic product in 1996, down from 5.2 per cent last year and below the original 1996 budget forecast, he said. The goal for Emu is 3 per cent of GDP in 1997.

He said tax revenue had grown by 10.2 per cent in the first half of this year, compared with the same period in 1995, without any increase in tax rates. Current spending had grown by only 7.5 per cent. This had allowed the government to accelerate public investment and Portugal was now applying an average of Es74bn a month in EU funds compared with Es39bn a month in 1995.

But Mr Guterres refused to be drawn by opposition calls to clarify whether the government planned to increase tax rates in 1997 in support of its efforts to join the single currency. He said that for the first time Portugal's long-term interest rates had fallen within the Maastricht criteria for Emu over recent weeks. Annual average inflation, which was 3.4 per cent in May, has also fallen sharply.

Mr Guterres said public debt would fall in 1996, reversing the trend of recent years.

Post office aid ruled illegal

By David Owen in Paris

The French post office suffered a new setback yesterday when the European Court of Justice ruled that the government may have provided illegal subsidies to its express mail arm.

The court also said that Chronopost, a 66 per cent-owned post office subsidiary, could be ordered to repay the aid because it had been granted without permission from the European Commission.

The ruling was in response to questions from the Tribunal de Commerce in Paris, which is now expected to consider the matter further. It is linked to a case brought by SFEI, the French express delivery association, which claims the government has granted illegal subsidies to Chronopost.

SFEI has asked that Chronopost, which had 1995 turnover of FFr2.89bn ($580m), be required to repay more than FFr2bn in unlawful state aid.

Mr Rick Gerber, a Brussels-based vice-president of Federal Express, an SFEI member, said the decision was "excellent news". The ruling accepted that some of the things express delivery groups had characterised as state aid – such as logistical support from personnel, vehicles and buildings – were indeed state aid.

Chronopost said yesterday's ruling constituted only a theoretical response to questions of law and it had "nothing to fear". It said the matter was in the hands of its lawyers. The post office said it had no official reaction.

The ruling said logistical support could be considered state aid if the post office charged less for the services than it would under "normal market conditions". In that case, the French government should have cleared the aid with the European Commission. Since that was not done, the French court could order Chronopost to repay the post office.

The European Court rejected the defendants' argument that the national court had no jurisdiction since the Commission had not yet ruled on whether the arrangement was legal. The Commission rejected SFEI's original complaint against Chronopost in 1992 but reopened its inquiry last February.

The justices said national courts had a duty to safeguard the rights of individuals in cases where governments granted aid without permission.

SFEI brought the complaint along with five of its members: DHL International, Service Crie-LFAL, May Courier International, Federal Express and Express Transports Communications.

The post office has also been under fire in recent months over its financial services activities.

Commercial banks have attacked what they consider the unfair competitive advantage enjoyed by institutions that are not required to provide a return on equity to their "shareholders". Mr Jean-Claude Trichet, governor of the Bank of France, said this week that the financial activities of the post office posed "a very serious problem".

The organisation's revenues from financial services rose by 7 per cent last year to FFr20bn. But this did not prevent a loss for the year of FFr1.2bn, in the face of growing competition and falling demand for its postal services.

Swedes defend interest rate policy

By Greg McIvor in Stockholm

Sweden's Riksbank (central bank) indicated yesterday it remained committed to its step-by-step approach to lowering interest rates, despite pressure for bolder cuts following an unprecedented fall in net consumer prices in June.

Official statistics showed a decline in annual inflation last month to 0.8 per cent – the lowest rate for 37 years.

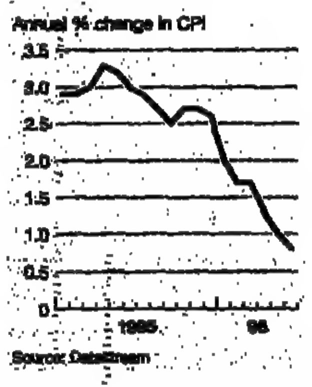
Net prices (consumer prices minus the net of indirect taxes and subsidies) actually dropped for the first time, by 0.3 per cent.

The figures prompted warnings from some economists of deflation due to the depressed state of domestic demand.

But Mr Erik Asbrink, finance minister, dismissed the fears and attributed the fall in prices to temporary factors, including a reduction in car excise duty and lower petrol prices. The figures illustrated Sweden's commitment to low inflation, he said.

Swedish inflation

Annual % change in CPI



Source: Datastream

Sweden has long tended to sacrifice inflation targets in favour of expansive employment programmes. It now has one of the lowest inflation rates in the European Union, but is grappling with unemployment nearing 13 per cent. The Riksbank has trimmed its key repurchase interest rate 14 times since January, reducing it from 8.91 per cent in January to 5.9 per cent.

However, the anaemic state of the internal economy – where private consumption is flat – has led some sections of industry to demand more adventurous cuts.

Mr Claes Berg, Riksbank chief economist, said interest rate policy was dictated by the inflation outlook one to two years hence. Yesterday's figures had not affected the bank's forecast that inflation would be around 2 per cent in 1996 and 1997, he said.

Mr Robert Prior-Wandesforde, European economist at HSBC James Capel Investment Bank in London, said deflation was a real danger as the internal economy had been sapped by the Social Democratic administration's austerity measures, aimed at reining in the budget deficit and bringing Sweden inside the Emu convergence criteria.

"We have almost reached the stage where any further cuts would be counter-productive," he said. "The Riksbank now needs to set interest rates at German levels to get a reasonable internally generated recovery going." This would mean reducing the repo rate to 3.3 per cent. However, other analysts were confident the Swedish economy was poised to grow again.

One of Sweden's leading banks, Skandinaviska Enskilda Banken, predicted private consumption growth would recover to 1.5 per cent by year-end and urged the Riksbank to maintain a "steady pace" of interest rate reductions.

EU may strike back at US over Cuba act

By Guy de Jonquières, David Wighton and Stephen Fidler

European Union foreign and trade ministers are due next week to consider possible retaliation against controversial US legislation aimed at penalising foreign investors in Cuba.

The legislation, rushed into law to punish Cuba for shooting down two US light aircraft in February, has hurt relations between the US and its main trading partners.

At scheduled meetings of the council of ministers in Brussels on Monday and Tuesday ministers will consider a range of responses to the Helms-Burton act, named after its congressional sponsors.

The US sent warning letters this week to nine executives and directors of Sherritt International, a Canadian mining company, saying that they and their families would be barred from the US under Helms-Burton unless the company took steps to disinvest in Cuba.

Sherritt's directors include Sir Patrick Sheehy, the former chairman of BAT Industries of the UK, and Mr Rupert Pennant-Rea, former deputy governor of the Bank of England.

The ministerial meetings in Brussels will coincide with an expected decision by President Bill Clinton on whether to suspend a separate part of the legislation authorising private US court actions to claim damages against foreign companies and others "trafficking" in confiscated assets in Cuba.

Mr Ian Lang, the UK trade secretary, yesterday said Britain was under growing pressure to retaliate against US companies unless the so-called Title III provision was suspended.

Mr Lang told the American Chamber of Commerce in London that the strong investment relationship between the US and the UK had been marred by the legislation and by prospective laws penalising non-US companies investing in Iran and Libya. Banning Mr Pennant-Rea and Sir Patrick from the US could do nothing to promote democracy in Cuba. Mr Clinton should rescind "this senseless measure."

The ministers' options are expected to include adoption by the EU or individual members of a "blocking statute", entitling European companies affected by Helms-Burton to countersue subsidiaries of US companies in European courts. Britain, Italy and the Netherlands already have national blocking statues. Officials said similar EU legislation could be put in place quickly, if approved by ministers from all 15 member states.

Officials say the EU could legally impose trade sanctions in areas not explicitly covered by the World Trade Organisation's Most Favoured Nation principle, which prohibits members from discriminating between trade partners. Such areas include aviation, maritime transport and telecommunications services.

Scope for wider trade retaliation would depend on if the EU was prepared to take measures which violated WTO rules – a question on which no clear consensus has yet emerged.

The mildest EU response would be to bring a formal complaint against the US in the WTO and to protest that the legislation violates OECD agreements.

Mr Arthur Eggleton, Canada's international trade minister, said he would request that a dispute settlement panel under the North American Free Trade Agreement try to stop application of the law. He said Canada would wait until Mr Clinton had decided whether to waive Title III.

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Samper's US visa revoked

The US government has revoked the visa of Colombian President Ernesto Samper because of alleged links to the Cali drug cartel, an administration official said yesterday, AP reports from Washington.

A formal announcement was expected later in the day.

The Clinton administration has long held that Mr Samper received money from the cartel for his 1994 presidential campaign.

Officials were dismissive of a Colombian parliament decision to exonerate him of charges that he is linked to the drug traffickers.

The US has complained for months about an alleged lack of co-operation by Colombia in combating drug traffickers. Colombia is the source for a big part of cocaine consumed in the US.

Colombia recently turned down a US request for extradition of four leading figures in the Cali drug cartel.

On Tuesday, however, Colombian authorities moved against two of the four, Gilberto and Miguel Rodriguez Orejuela, who are in jail, seizing more than 110 properties belonging to them.

The US government has tried to isolate Mr Samper while maintaining good relations with Colombian law enforcement officers committed to cracking down on drugs.

■ AP-Dow Jones adds from Bogotá: The Colombian government has altered its foreign investment code to try to cut red tape and make the country more attractive to foreign investors, an official announced on Wednesday.

Mr Arturo Garcia, subdirector of the National Planning Department, said the changes would take effect as soon as the government reviewed the legal language and published the decree, which should take place by next week.

The new rules loosen curbs on foreign investment in property, which was previously restricted because of the common practice of using it to launder drug money. The new code, for example, will allow foreigners to invest in time-share vacation homes.

Reform Party founder says he is man for the moment

Perot puts paid to pretenders

By Jurek Martin in Washington

Mr Ross Perot waited precisely 33 hours before lowering the boom on any pretenders for the presidential nomination of the fledgling Reform Party, his own creation.

On Wednesday night he told Mr Larry King, the TV talk show host for whom he reserves his most important pronouncements, that it was clear that party members "have a strong desire for me to participate".

He said he considered former Colorado governor Dick Lamm, who announced his candidacy on Tuesday, "a fine man". But the Texas billionaire and 1992 independent presidential candidate proceeded to explain exactly and inimitably why he thought Ross Perot was the man for the moment, without actually making a formal declaration.

"If anybody should do this, I should do it. I'm in a unique position to do it. A lot of people who would want to do it and might even be better doing it aren't in a position to do it, wouldn't have the freedom to do it. I have that freedom."

He did not mention it but that freedom includes money. Mr Perot spent $65m from his own pocket to finance his 1992 effort and, based on his 19 per cent of the vote four years ago, the Reform Party would be entitled to over $30m in federal matching funds this year – if Mr Perot is the nominee.

Lamm (left) puts on a brave face as Perot moves in

By contrast, the Lamm campaign chest stands at $6,000 and the Federal Election Commission has not yet determined if the party would get even a cent in federal assistance if the former governor carries its banner in November.

Out in California, Mr Lamm put a brave face on the Perot intervention. "If I could get the nomination in this party he's created... obviously that's the best scenario, because you start off with a certain David and Goliath quality," he said.

But Mr Lamm will need more than a slingshot to overcome the man without whom the Reform Party would not exist. Wishing, however, to appear completely above board, Mr Perot told Mr King he had hired an independent auditing firm, which he did not identify, to tally the party's postal and electronic votes for its presidential candidate, to be cast in the week of August 11-18.

The Reform Party is holding a two-part convention, in California and Pennsylvania, sandwiched round the Republican gathering in San Diego. Mr Perot insisted the timing was not intended as a slight, or counter-attraction, to the Republican event but was simply dictated by the electoral calendar.

Nevertheless, in New York yesterday, Mr Bob Dole, the all but certain Republican nominee, was not enthusiastic about a Perot candidacy. "I would hope he wouldn't run," he told a radio talk show, "I hope it's going to be sort of a two-person race."

He took some consolation in polls showing Mr Perot now drawing more heavily among Democrats than Republicans. Mr Mike McCurry, the White House press spokesman, said President Bill Clinton thought Mr Perot's entry would "enliven" the race and force a discussion of issues which the Republicans were "ignoring".

The Reform Party is currently on the presidential ballot in 21 of the 50 states and Mr Perot was confident it would be represented everywhere, as he was as an independent four years ago.

Most polls now give him 10-15 per cent, a fall-off from 1992 but large enough to make a difference in some important states. Though Mr Perot does not appear to be moved by the sort of personal animus towards Mr Dole that he showed against President George Bush, his presence in the race probably makes it harder for the Republican nominee to overcome his present deficit behind Mr Clinton.

Castro warns Olympians over invitations to defect

By Pascal Fletcher in Havana

Cuba's athletes will need more than sporting skills for this year's Olympic games, opening next week in Atlanta, according to President Fidel Castro. They will also need "muscles of the soul" to resist financial offers and invitations to defect while in the US, he warned.

Mr Castro, incensed by the recent defection to the US of two Cuban Olympic boxers and a star baseball pitcher, harangued the island's more than 150 Olympic team members for half an hour in a ceremony on Wednesday night on the evils of treachery.

History would never forgive them if they betrayed their homeland by deserting, he said. The athletes, all presented with a national flag, listened in stony-faced silence.

"Moral medals are more important than gold medals," Mr Castro said. They were a "delegation of patriots" travelling to compete in the "heart of the monster, the empire" – his usual term for Cuba's ideological arch-enemy, the US.

Behind the Cuban leader's wrath is the defection over the last two weeks of three Cuban athletes, all potential medallists in Atlanta. At the end of June, reigning Olympic bantamweight boxing champion Joel Casamayor and former light heavyweight world champion Ramon Garbey disappeared from their pre-Atlanta training camp in Guadalajara, Mexico, and later surfaced as defectors in the US.

This week the island's Olympic hopes received an even bigger blow when the Cuban baseball team's star pitcher, Rolando Arrojo, deserted from the team's hotel in Georgia.

Mr Castro, a keen sports fan, said these athletes had been "bought" by million-dollar offers from the US. "They know they can't beat us any other way," he said.

Ecuador economic fears subside

By Sarita Kendall in Quito

Mr Abdalá Bucaram has spent his first days as Ecuador's president-elect dispelling fears of major changes in economic policy and seeking parliamentary support for his government.

Mr Bucaram has selected a transitional economic team led by three prominent businessmen from Guayaquil, his home city, and moderated his barnstorming political style. The sucre, Ecuador's currency, has stabilised following initial post election weakness.

"The central bank seems to be re-buying some of the reserves put in early this week," said Mr Rodrigo Paz, a Quito banker and former Christian Democrat candidate for the presidency. "Now everyone is waiting to see who the economic authorities will be. It looks as if the policy framework will not be very different."

Mr Alvaro Nobóa, one of the members of Mr Bucaram's transitional team, said that there would be no shock economic measures, that the exchange band system would be maintained and that interest rates must be brought down.

Mr Bucaram won a convincing victory in last Sunday's presidential run-off against Mr Jaime Nebot, the market-oriented Social Christian candidate.

Those in the running for the new cabinet include Mr Rene Bucaram, a cousin of the president-elect and former manager of Texaco, as energy minister.

Both the foreign minister, Mr Galo Leoro, and the head of the central bank, Mr Augusto de la Torre, may continue in their posts.

Observers agrees that Mr Bucaram cannot possibly fulfil the wealth of electoral promises made in the heat of the campaign. After last Sunday's victory, crowds began to gather outside Mr Bucaram's Roldosista party headquarters demanding to be listed for low-cost housing schemes.

The sale of part of the state telephone company, Emetel, is likely to go ahead and private sector concessions will be used to boost investment in roads, ports and electricity. However, tampering with "strategic sectors" such as the state oil company could be too politically sensitive.

■ Decline in west ■ S Korean car groups boom ■ India to become major player ■ Big opportunities in China

Carmakers look beyond established markets

Established motor vehicle markets such as western Europe, the US and Japan, are likely to decline further as the industry looks to new expanding markets such as South Korea, India and China, according to a clutch of reports published this week.

According to an Economist Intelligence Unit report[1], new car registrations will fall to 12.28m in 2000 from an estimated 12.37m this year as consumer spending stays depressed. Even new types of vehicles, such as urban minicars and new "people carriers" now under development will not lift sales, the report argues.

Rather than stimulating demand, greater choice will only result in changed buying patterns, with consumers switching to smaller vehicles. That will lead to even tougher competition and more pressure on manufacturers' profits as more resources are devoted to marketing and advertising.

Greater output and competition will put car prices under pressure, exacerbating the poor profitability of many European volume carmakers.

Almost all new entrants will be from Asia. South Korean car companies, already with booming sales, are expected to reinforce their position. In the longer term, the report expects additional low-cost manufacturers from India and, later, China and other parts of south-east Asia, to target Europe.

India: Total vehicle production is forecast to rise from around 645,000 units in 1995 to almost 1.4m units in 2000, with passenger car production accounting for about 900,000.

Sources: Mexico and South America (DRI/McGraw-Hill); western Europe, India and South Korea (EIU); China (Ministry of Machine Industry and Knibb, Gormezano & Partners).

The upbeat outlook for brands such as Hyundai and Daewoo concurs with a separate report on the future of the south Korean motor industry[2]. This predicts sharply rising output of cars and commercial vehicles in the next five years as new capacity comes on stream and manufacturers push into new markets.

Although the bulk of the rise in production is forecast in cars, which are expected to reach almost 2.7m units by 2000 from 2m last year, South Korea's output of commercial vehicles is also forecast to rise much more sharply, Outto about 700,000 units by 2000 against 524,000 last year.

The report sees scope for growth in South Korea, despite local fears that the market is close to saturation. New domestic registrations are predicted to reach 1.93m units by 2000 from 1.56m last year. Although more imported cars will be sold, their market share will remain marginal.

The growing gap between South Korean manufacturers' domestic sales and output will be bridged by higher exports. Although direct exports to neighbouring Asian countries will be a central focus for South Korea's carmakers, the report also predicts a sharp rise in the number of vehicles they will be building abroad.

Production by South Korean manufacturers will be a big factor in the expected surge in vehicle output in India, according to a further report[3]. It predicts production capacity of cars will increase more than fivefold to 1.8m units by 2000.

By then, the number of carmakers in India will have soared to 16, against four 18 months ago. If commercial vehicle builders are included, the total will amount to 24 by 2000 compared with 10 today. The newcomers will help to boost capacity to more than 2.5m units from 750,000 in 1995.

The report recognises that exports will also have to rise if all the manufacturers are to find buyers for their planned output. Several commercial vehicle manufacturers are already trying to boost exports, mainly to Europe, Africa and the Middle East.

But in spite of the risk of overcrowding in the Indian vehicles market, the report predicts exports will not exceed 10 per cent of overall output by 2000, with some car and truck makers limiting their foreign sales efforts to India's immediate neighbours.

Booming domestic demand, as in India, will be one of the driving forces of the motor industry in China, according to a fourth report[4]. The introduction of the socialist market economy in 1993 and promulgation two years later of plans to restructure motor industry policy has opened immense opportunities for foreign companies.

Although Chinese statistics are often confusing, the report says car output could rise to 1.5m units by 2000 and 4m by 2010 from less than 600,000 units last year. It forecasts production of trucks and buses will rise less sharply to between 1.4m and 1.5m in 2000.

(1) The New Car Market in Europe, EIU, +44 171 830 1007, £495/$775.
(2) South Korea's Motor Industry, EIU, address and price as above
(3) The Automotive Industries of India and Pakistan, EIU, £595/$945
(4) China's Automotive Industry, Knibb, Gormezano & Partners, +44 1332 292865, £435

Haig Simonian

South America set for boom in new vehicle demand

By Haig Simonian, Motor Industry Correspondent

Economic and political reforms in South America have transformed regional economies, opening the way for a likely boom in new vehicle demand, according to a study by DRI/McGraw-Hill.*

Demands for cars, trucks and buses is expected to rise by 65 per cent to 4.1m units in 2005 compared with 2.5m units last year. Sales of commercial vehicles will also rise substantially but demand for passenger cars is forecast to be the engine for growth.

Sales are expected to rise to 3.3m units by 2005 on the back of rising personal incomes, cheaper cars and easier credit.

"The story today in South America is one of expansion," says Ms Susan Brown, the editor. "GDP growth will average 5 per cent throughout the rest of the decade, compared with 1.5 per cent in the 1980s. This strong growth will translate into income growth recovery to raise motorisation levels."

Brazil will remain the dominant market in the region, accounting for 65 per cent of South American motor sales. Car demand in Brazil should reach 2.2m units in 2005, with total vehicle sales at 2.6m, compared with 1.7m last year.

New market entrants, such as Renault, Mercedes-Benz and Honda, which this year all announced plans to set up new factories in Brazil, will lead to an inevitable decline in the market share held by Volkswagen, Fiat, General Motors and Ford, Brazil's four biggest carmakers. Their share of passenger car sales is predicted to drop to 88 per cent by 2005 from 94 per cent last year.

Sales in Argentina, South America's second biggest car market, are also forecast to soar in the next 10 years. Demand for all types of vehicles should more than double to 723,000 units in 2005 from 324,000 last year.

** South American Automotive Industry. Structure and Prospects. DRI/McGraw-Hill (Tel: 0044181 5456244) Price: $17,000.*

WORLD TRADE NEWS DIGEST

Japan attacked on liquor taxes

The European Commission yesterday took an important step toward prising open Japan's liquor market after a World Trade Organisation report said Japanese taxes discriminated against imported whisky, cognac, vodka and other spirits.

The report must still be endorsed by the WTO's disputes settlement body, but Commission officials expressed optimism that its findings would remain intact. The Commission served notice it would urge Japan to introduce reforms into its annual budget by April 1 next year and would press other countries, notably South Korea and Chile, to end similar discriminatory tax regimes.

A spokesman for Sir Leon Brittan, chief EU trade negotiator, said the WTO report could mean a big boost for the European drinks industry.

According to Commission figures, whisky exports to Japan by volume fell by 25 per cent between 1994 and 1995. Japan imports only 8 per cent of its drinks consumption, compared with an average of about 30 per cent in other industrialised countries, the Commission said. *Lionel Barber, Brussels*

Transatlantic trade area plea

Mr Klaus Kinkel, German foreign minister, yesterday called for a step-by-step liberalisation of trade and investment between the European Union and the US as a step towards a transatlantic free trade area. Welcoming a study commissioned by the German federation of industry (BDI), he said Europe and the US should first concentrate on solving trade issues such as harmonisation of standards and mutual recognition of testing procedures. Among other steps, Mr Kinkel called for the dismantling of trade discrimination in public procurement, a joint investment protection agreement and liberalisation of audio-visual services.

Mr Kinkel argued last year that a transatlantic free trade area would revitalise US-EU relations. He acknowledged yesterday it was a distant goal and not realistic at present. But the idea could serve as a lever for greater trade liberalisation, he said. *Peter Norman, Bonn*

Tokyo in satellite launch bid

The Japanese government is negotiating with the European Space Agency for Japan's next-generation rocket, the H2-A, to launch an experimental communications satellite for the European agency in the year 2000. Agreement is expected this year on what would be Japan's second contract to launch a foreign satellite, according to an official of Tokyo's Science and Technology Agency.

The announcement comes week after Rocket Systems Corporation, a private-sector Japanese consortium, announced it was poised to win Japan's first contract in the fiercely competitive commercial launch business, from Hughes Space and Communications International, the world's largest maker of satellites.

This second potential contract – which would be with the Japanese government space agency, rather than with the private sector – underlines the seriousness of Japan's long-delayed attempt to enter the world space industry as a serious participant. *William Dawkins, Tokyo*

Western companies encounter protesters on road to Burma

After Heineken campaign Dutch activists will target French group

By Ted Bardacke in Rangoon, Gordon Cramb in Amsterdam and David Owen in Paris

"Heineken out of Burma" proclaimed the T-shirts worn by Dutch trade union activists at a spring human rights rally. On Wednesday their wish became reality as the Amsterdam-based beer multinational announced its withdrawal from Burma.

The sale of its stake in a half completed brewery to Fraser and Neave of Singapore came a day after Carlsberg of Denmark abandoned plans to build a similar facility. Their retreat, under pressure from US and European campaigners against the Rangoon military regime, reflects the vulnerability of companies in the consumer sector to publicity likely to damage their brand image in important western markets.

Mr Karel Vuursteen, Heineken chief executive, acknowledged as much when he said that public opinion on Burma had "changed to a degree that could have an adverse effect on our brand and corporate reputation." The company's $30m Burma venture had brought it under fire from its unions and from activists on both sides of the Atlantic – its beer is the top foreign brand in the US.

Heineken said the campaign had not yet dented sales. And for Burma itself, the withdrawal is also damaging mainly in image terms. As one diplomat put it: "The Heineken move is largely symbolic. The Burmese will still get the investment in the brewery. But the question is at what point do potential investors look at all the fuss and are deterred from Burma in the first place."

Burmese authorities say there will always be Asian investors willing to leap at commercial opportunities western companies find they must reject. The Singaporean group buying out the Dutch will simply market beer under its Tiger brand instead.

The position is similar for Unocal, the US oil company which is a partner in Burma's largest foreign investment project to date, a $1.2bn project to produce natural gas for export to Thailand. Unocal has no operational responsibility in the project – it is a pure investment and could be sold to another, even non-oil, investor without much difficulty.

But if Total of France, responsible for developing the project, were to get cold feet, that would be more serious. Similarly, natural gas projects under study by US companies Texaco and Arco could be delayed or shelved. "It is hard to see how petroleum development of this magnitude could take place without a western partner who would at least provide technology," said one Rangoon-based consultant.

Indeed, victorious Dutch campaigners said yesterday they would bring their weight to bear on the French oil group. "The next target is Total," said Mr Gijs Hillenius, co-ordinator of the Burma Centre Netherlands.

At Total's annual general meeting last month organisations distributed a letter to shareholders raising questions about its investment in Burma. But oil companies have in the past shown themselves resilient in the face of consumer pressure, and both Total and Unocal said yesterday they had no intention of pulling out.

Total argued yesterday that its investment could not be compared with the breweries because it was so long term in nature. First gas production is expected in 1998, with output lasting an estimated 30 years. Royalties would not begin to be paid to the Burmese government until around the start of the next century.

Where Total, and more so Unocal, could be hurt is is if more US local authorities pass so-called selective purchasing ordinances. These bar public sector units under their control from buying goods or services from companies which do business in Burma.

In Unocal's California base, Berkeley city enacted such a measure a year ago, for example. So did Massachusetts state. Total's 54 per cent-owned US subsidiary operates four refineries and manages 1,950 service stations concentrated in 12 mid-continent states.

Until the Carlsberg and Heineken rows, European activists had less success than their US counterparts. But Burma may lose its European trade privileges under the Generalised System of Preferences because of an investigation by the European Commission into allegations of forced labour in the country, which may give the boycott movement further momentum. EU foreign ministers are to discuss the issue on Monday.

Ms Aung San Suu Kyi, the opposition leader whom the military are trying to press into exile, has said multinationals should stay away until democracy is restored. This week she asked foreign tourists to do the same. Burma has been relying on travel receipts – worth $170m in the 1994-95 fiscal year – to help finance its rapidly expanding merchandise trade deficit.

Authorities have set an ambitious goal of 250,000 visitors in "Visit Myanmar Year" which begins in October. Almost 150,000 people visited in 1995-96, 15 per cent from four European countries – France, Britain, Germany and Italy. Some European travel operators have, however, stopped booking tours to Burma.

US hard line on Burma, Page 7

Burma: Foreign direct investment ($m)

	1990/91	1991/92	1992/93	1993/94	1994/5
Agriculture			–	0.1	–
Manufacturing	18.0	6.8	9.5	4.3	11.9
Oil and gas	178.3	228.4	128.7	66.5	47.4
Mining	18.9	3.2	0.4	0.2	9.9
Fisheries	3.0	–	–	0.5	6.8
Tourism	7.7	2.7	9.4	20.1	37.8
Transport	–	–	1.0	–	1.0
Total	225.1	235.3	149.0	91.7	114.8

[illegible] on approved projects Source: Myanmar Investment Commission

US, Japan try to settle disputes

By William Dawkins in Tokyo

The US and Japan have renewed efforts to resolve differences over access to Japanese markets for semiconductors and insurance policies before a self-imposed deadline of the end of the month.

Both sides' trade officials will meet at the weekend in Christchurch, New Zealand, before Monday's gathering of Pacific Rim trade ministers. Mr Shunpei Tsukahara, minister of international trade and industry, is to reopen top-level negotiations in Christchurch on Monday with Ms Charlene Barshefsky, the acting US trade representative.

Two days later, finance officials will meet in Tokyo to discuss insurance, paving the way for further talks in Washington the following week.

Japanese and US officials said yesterday they were far from agreement on both disputes, suggesting any solution would be at the last moment.

On semiconductors, Miti officials say the main stumbling block is a US demand to "preserve and continue the recent progress" under an existing accord, expiring on July 31, under which the foreign share of Japan's market has more than doubled in five years.

Miti maintains the US demand is too close to setting a numerical import target, something the Japanese government has successfully resisted in other US trade disputes, on cars and general imports.

A second stumbling block is the US demand that a new semiconductor accord should, like its predecessor, be monitored by governments. Miti wants no government involvement.

A further complication is Japan's desire for a global semiconductor accord, embracing the EU. Not surprisingly, the EU supports that idea, but the US wants to tie up a bilateral deal with Japan first.

The insurance row concerns implementation of a 1994 US-Japan financial services accord under which Japan's life and non-life markets were to be opened to foreign competition.

To US insurance companies' frustration, Japan is now proposing to open a third insurance sector to its own domestic companies, covering mixed life and non-life policies such as personal accident and health insurance.

This third sector happens to be dominated by US companies. They want the third sector temporarily to stay as it is, almost closed to Japanese companies, until the primary sectors of life and non-life insurance are first thrown open to foreigners.

Egypt eyes closer ties with Turkey

By John Barham in Ankara

Egypt's President Hosni Mubarak, eyeing closer ties with Turkey's new Islamist leader, yesterday softened recent criticisms of Ankara and said he was gratified by "peaceful and neighbourly ties with brother Turkey".

During a hastily arranged one-day visit to the country's capital Mr Mubarak became the first foreign leader to meet Mr Necmettin Erbakan since his appointment two weeks ago as Turkey's first Islamist premier.

Relations between Turkey and the Arab world have been strained by Turkey's multi-billion dollar project to exploit waters of the Euphrates and February's controversial military co-operation agreement with Israel.

Arab leaders – particularly Mr Mubarak and Syria's President Hafez al-Assad – have greeted Mr Erbakan's appointment with alacrity. Mr Erbakan said on taking office that while Turkey would maintain its traditional pro-western foreign policy, he would strengthen ties with the Moslem and Arab world.

Mr Mubarak, who led the Arab world's condemnation of Turkey's accord with Israel – Israel's first with an Moslem country – yesterday softened his stance. The agreement was "not directed against anyone. It is for training purposes. No country should be disturbed or think of it as a threat," he said.

A European diplomat, reflecting on on Mr Mubarak's volte face, said yesterday that Mr Erbakan had probably told him that it did "not mean the same thing as it did before."

The agreement allows Israeli pilots to fly training missions in Turkey and Turkish officers to go to Israel for training in electronic warfare techniques.

However, there may be limits to Mr Erbakan's hopes for rapprochement with the Moslem world, notably Syria. The Turkish-Syrian border is seen as a potentially explosive flashpoint. Both countries began massing troops along their 877km border at the beginning of the year. Analysts believe Turkish generals negotiated the military agreement with Israel to punish Syria, for supporting the separatist Kurdistan Workers party (PKK).

Although Mr Erbakan criticised Turkey's close ties with Israel before taking office, he has bowed to his generals' demand that the military relationship at least should continue.

Mr Mubarak is said to have proposed to mediate between Turkey and Syria, an offer Mr Erbakan seems to support. But as well as opposition from the army, Turkey's President Süleyman Demirel said he saw no room for better relations with Syria until it stopped "supporting terrorism." Mr Demirel said "the whole world is taking a stance against terrorism. We tell everyone this all the time and I expressed our views to president [Mubarak] today."

Mr Demirel has few executive powers, but he may exert his traditionally strong influence over foreign policy to counterbalance Mr Erbakan's views. Mrs Tansu Çiller, foreign minister and head of the pro-western True Path party, the junior coalition partner, may also try to block any sharp change of tack.

The US and EU have said that they do not expect Turkey to move closer to such states as Iran and Syria.

● Turkish air force jets attacked a suspected PKK training camp in northern Iraq yesterday following intelligence reports that 750 guerrillas were massing there prior to infiltrating Turkey.

Northern Iraq's autonomous Kurdish region was wrested from Baghdad's control after the 1990 Gulf war. Western diplomats say Turkey's frequent attacks often hit non-military targets, causing widespread civilian casualties.

Giving young Saudis a stake in the future

Roula Khalaf on the pain of adjustment in a Saudi Arabia with more people and fewer resources

When Abdelrazak enrolled in a Saudi college of public administration two years ago, he thought he would complete his studies at leisure and find a cosy half-day post, a handsome salary and, among other benefits, an interest-free loan to buy a house – all courtesy of the government.

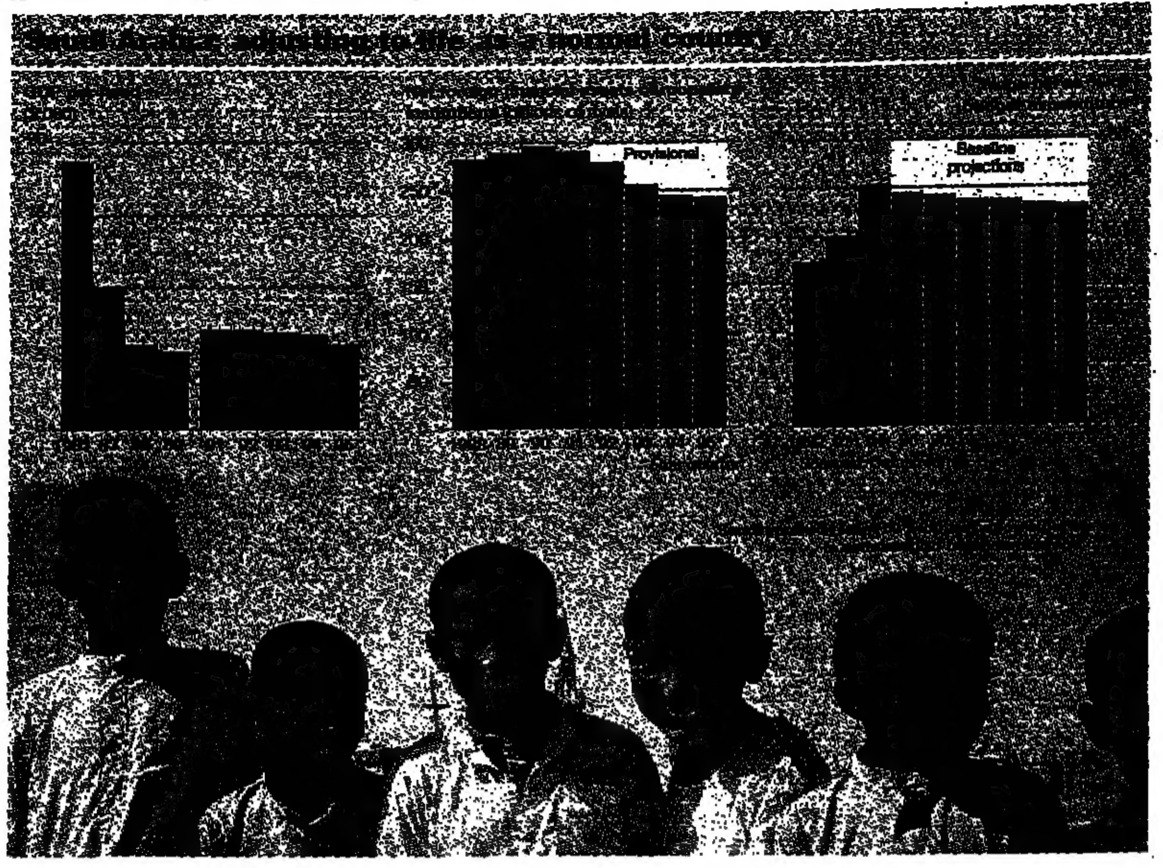
With his father's business faltering in a generally stagnant economy, Abdelrazak is instead forced to work as a full-time cashier to help support his 11 brothers and sisters. When he graduates in two years' time, he will find that jobs are no longer assured, salaries are lower and the waiting list for loans is long.

In the wake of the bomb attack on a US Air Force housing complex in Dhahran in eastern Saudi Arabia, thought to have involved young Saudis swept away by religious fervour, attention is again focusing on the need to adjust economic and social policies to ensure that young men like Abdelrazak are secured a comfortable place in Saudi society and a stake in the country's stability.

After decades of immense wealth and lavish spending, Saudi Arabia is adjusting to life as a normal country. Welfare organisations say a growing number of families can no longer make ends meet. Western diplomats estimate that a third of university students receiving the SR1,000 ($266) monthly government allowance paid as an incentive to seek an education now need the money to support their families. More students are failing their exams just to keep the allowances flowing.

Meanwhile, Saudi Arabia's 18.5m population (including 7m expatriates) is growing at about 3.8 per cent a year, and at least 60 per cent is believed to be under 20.

The economic numbers are disturbing too. Per capita gross domestic product is a third of the $18,800 it was in 1981; unemployment has been rising in an economy that has been stagnant for three years and has been plagued by 13 years of consecutive – albeit declining – budget deficits, fed by a wage bill that accounts for half total expenditure, and thus a domestic debt load of nearly $100bn.



All this is leading even some Saudi officials to sound the alarm. "If we continue as we are now and nothing is done differently, in 20 years this country will be taken over by religious types," says one official.

A principal and controversial element of government efforts to adjust is the so-called "Saudisation" programme, the process of replacing foreigners, who constitute the greater part of the private sector workforce and who come mainly from south-east Asia, with Saudis. The government's 1995-2000 development plan promised to create 600,000 new jobs over five years and to concentrate new employment on the 125,000 Saudis who graduate each year.

To discourage the hiring of foreigners, the government increased charges on visas for foreign workers and forced employers to assume the full cost of foreign workers' medical insurance. Work permits are now denied in certain sectors, such as taxi driving. Companies are required to raise their Saudi employment by 5 per cent a year or face the loss of government contracts as well as financing through the Saudi Industrial Development Fund although companies can sometimes negotiate a lower rate.

The banking sector and some quasi-government companies have successfully become largely "Saudised". Elsewhere, however, the process is running into obstacles. The private sector, parts of which are already at odds with the government over payments owed on past government contracts, is viewing it as unfair taxation at a time when the five-year plan is aimed at diversifying the economy and promoting the private sector.

Several company heads say they are simply ignoring the 5 per cent rule. They say Saudis used to government pampering refuse to take menial jobs, expect instant advancement and much higher pay than foreign workers. "I once had the father of an employee call me to tell me I made his son work too hard," says Mr Khaled al Maeena, who runs a media and public relations firm.

Before forcing it to employ Saudis, the private sector says the government must face up to the responsibility of overhauling the education system. In striving to prove its good Islamic credentials, the government has set up an education system that churns out graduates armed with a heavy load of religious teaching but short on analytical skills.

But Mr Kevin Taecker, chief economist at Saudi American Bank, argues that it is for the private sector to take the lead in the Saudisation programme and invest in training programmes for Saudis with the aim of replacing two foreign workers with a single Saudi and raising a generally low level of productivity. "It's an easy choice: either you want to give the future to expatriates or to your children," he says.

If the Saudi private sector is asked to sacrifice profits today for tomorrow's economic and social stability, say businessmen, the government should set the example. Pressure on the private sector to "Saudise" comes at a time of rising frustration with government waste and what many see as the excesses of the royal family, a topic which dominates discussions. It also often leads to criticism of the US, increasingly being accused by Saudis of "bleeding them dry" to pay for the Gulf war of 1990-1991 and for defence contracts.

When oil revenues generously flowed, jobs were secure and businessmen assured lucrative contracts; the many millions of dollars made by middlemen on foreign contracts and the stipends paid to royal family members bothered no one.

Today, however, says an angry businessman, the beneficiaries are "exposed, naked, doing something we all abhor under the new reality".

King's advisers explain why democracy 'would not work'

By Roula Khalaf

Senior British officials yesterday played host to a delegation from Saudi Arabia's *majlis al shoura*, the consultative council, in what British officials see as a further sign of improved UK-Saudi relations.

The consultative council is the Saudi version of a parliament revived by King Fahd in 1993 in response to demands for political liberalisation. Its 61 members, all technocrats, are appointed by the king, who can ignore their deliberations.

In a press conference yesterday, Sheikh Muhammad bin Ibrahim bin Jubeir, the council's president, went to great pains to explain the merits of "consultation" – a concept enshrined in the Koran, the Moslem holy book – as against multi-party democracy. The reason democracy would not work in Saudi Arabia, he said, was that elections in a tribal society would not produce the high calibre now found among members of the council.

Although considered a step in the right direction, the council is viewed with scepticism among Saudis eager for political change. Most of the council's deliberations have been on commercial law issues and ratifications of treaties. A big achievement was an amendment to the 1995 budget, in which the council proposed that electricity charges be increased.

In general, however, the council is not involved in budget details, an issue of great importance to the Saudi economy. Business sources in the Kingdom say that in an effort to curb unnecessary spending at a time when the Saudi government is strapped for cash, the council last year sent a recommendation to the King that all income be part of the budget and expenditures reprioritised, but has so far received no response.

Netanyahu angers Palestinian leaders and Israeli unions alike

By Julian Ozanne in Jerusalem

Netanyahu speaking in Washington on Wednesday

Israel's new government came under intense pressure at home and abroad yesterday as unions announced a 24-hour strike next week and Arab leaders vented anger against statements made in Washington by Mr Benjamin Netanyahu, Israeli prime minister.

The Histadrut, Israel's federation of Labour unions, said it would strike next Wednesday to protest against a Shk4.9bn ($1.53bn) package of expenditure cuts from the 1997 budget approved by the cabinet this week.

Histadrut leaders said they were concerned about the impact of the cuts on pensioners and salaried workers and were unhappy about proposals to slash the size of the public sector. If effective, the strike could close airports, trains, ports, banks, government offices, health services and local authorities.

Officials of Mr Netanyahu's rightwing Likud party said the strike was politically motivated and encouraged by members of the defeated Labour party. They said it marked a last-ditch effort by the once powerful Histadrut to continue to have an impact on national economic policy.

As Mr Netanyahu faced his first real national political test at home, Arab leaders criticised his speeches made during an official visit to Washington where he laid down a hardline stance towards the Middle East peace process.

Before the US Congress Mr Netanyahu reiterated what have become his three noes: no to a Palestinian state, no to compromises on Israeli sovereignty over occupied Arab East Jerusalem, and no to a surrender of the Golan Heights.

Mr Faisal Husseini, the senior Palestinian official in East Jerusalem, said it looked as if Mr Netanyahu was declaring war on the Palestinians, while Ms Hanan Ashrawi, Palestinian higher education minister, described his remarks as one of the "most dangerous speeches" ever given in Congress.

"What was even more dangerous was the response of a standing ovation he was given when he was, with impunity, uttering statements that are in direct violation of international law… and the objects of the peace process and Palestinian rights."

In Cairo Mr Esmat Abdel-Meguid, Arab league Secretary General, said Mr Netanyahu's remarks "add to the factors of tension and violence in the region".

Syria urged the United States not to appease Mr Netanyahu's new hardline policies, saying concessions failed to contain the evil actions of Hitler's Nazi Germany.

South African bank chief sees growth of 6% by year 2000

By Mark Ashurst
in Johannesburg

Mr Chris Stals, governor of the South African Reserve Bank, has shaken off rumours of his imminent resignation, resurfacing in London yesterday, to give a bullish report of the country's economic prospects.

South Africa could expect annual economic growth of 6 per cent by the end of the century and hoped for inflation of well below 10 per cent, he said.

Quoting the government's macroeconomic strategy document unveiled last month by Mr Trevor Manuel, finance minister, Mr Stals endorsed its commitment to "accelerated tariff liberalisation, sharper deficit reduction, tight monetary policy and above all, productivity-linked wage increases".

The Reserve Bank had been instructed that "the main objective of monetary policy will continue to be the maintenance of financial stability and the reduction of the inflation rate," he said. "No central bank governor can ask for a more unequivocal mandate from his government".

The bank rate could fall to a real (inflation-adjusted) 3 per cent by 2000, if the macroeconomic strategy was "diligently implemented".

Annual inflation, forecast at 8-9 per cent this year, would remain "below 10 per cent and may even be lower than the 7.6 per cent envisaged for 2000".

Gross domestic product growth of 6 per cent by 2000, double this year's estimate, could be reached "provided we all work together".

Stals shrugs off rumours in London that he is about to resign

Addressing the South African Institute of International Affairs in Johannesburg while President Nelson Mandela is on a state visit to London, Mr Stals again ruled out a "big bang" abolition of exchange controls.

The nation's economic policy assumed a process of "gradualist adjustments" to increase flexibility in the labour market, liberalise trade and cut the deficit, he said. "Why should the approach to foreign exchange controls be any different?"

Prior to scrapping exchange controls, the government should reduce the tax burden on investors, which distorted the income on rand-denominated investments, he said.

For the past five years, interest earnings had been broadly in line with that of dollar-denominated investments.

"But as we lift exchange controls we must reassess tax to take account of interest rate differentials and other details that affect investment earnings."

The proliferation of rand-denominated bonds in Europe posed a threat to the Reserve Bank's autonomy in the financial markets.

International institutions had issued so-called "Eurorand" bonds worth about R7bn ($1.6bn) over the last two years.

"It's very flattering, I'm just afraid it introduces another element of volatility," he said. Small investors in Europe had "no cover and no hedge". In the event of a crisis, such as the recent 18 per cent devaluation of the rand between February and May this year, their efforts "to get out" could damage financial stability.

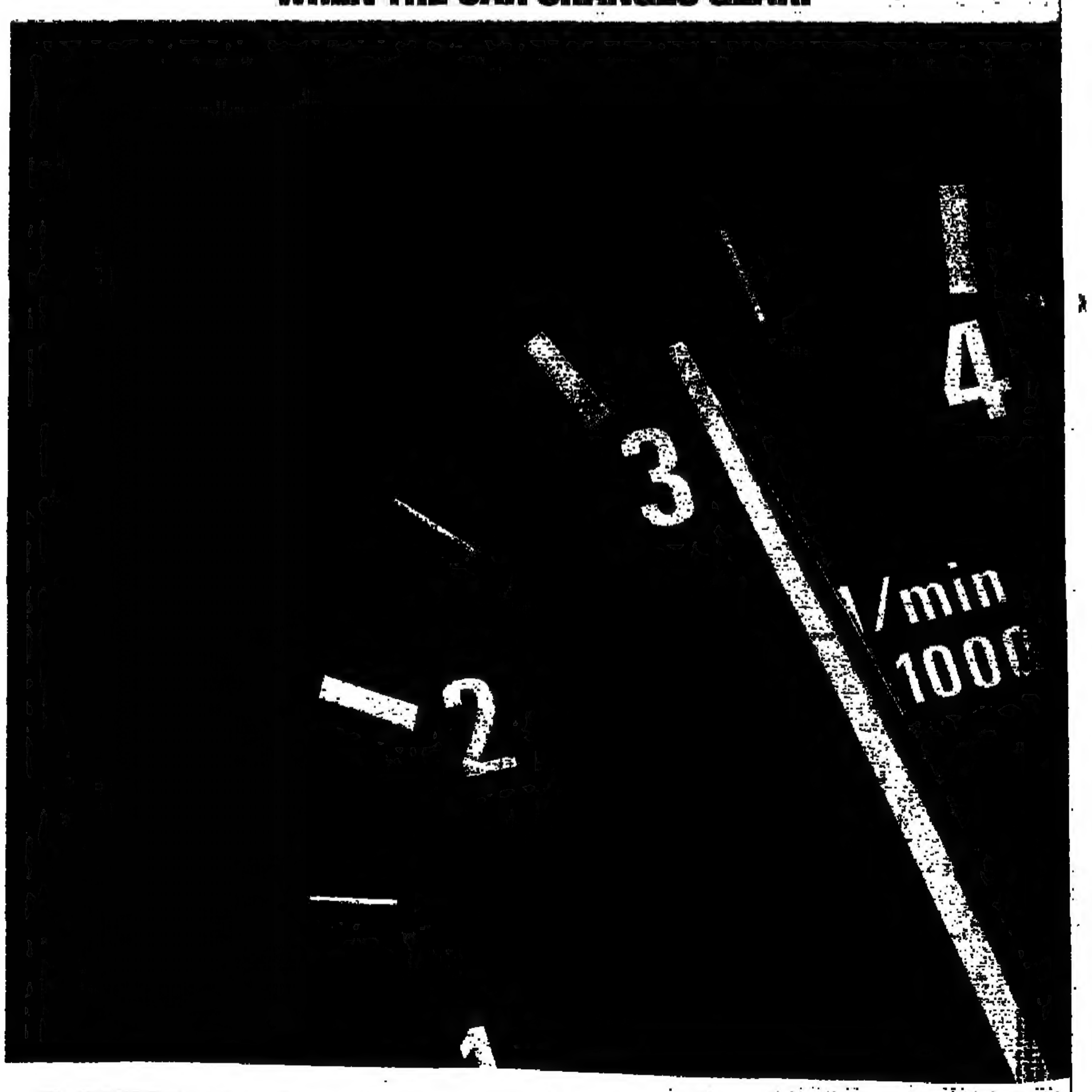
Mr Nico Czypionka, economist at Standard Bank, welcomed the government's macroeconomic strategy and praised "the extreme consistency of (monetary policy during) the Stals era".

But he warned that the abolition of exchange controls "by salami slices" encouraged speculation and dismissed suggestions of huge capital flight if restrictions were lifted. "Absolutely nothing is going to happen," he said.

Local interest rates were "penal", he said. With negligible growth in the critical manufacturing sector, South Africa's low domestic savings rate of 1 per cent among individuals was a dangerous omen.

"If agriculture does not stand up, what will drive the economy?"

Urgent attempts to reduce government consumption, "the biggest obstacle to growth", were vital.



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JOBS: Companies can test for necessary traits when choosing employees to work abroad

The will and the skill to travel well

What sort of questions should companies ask when they are choosing people for foreign assignments? Should technical competence be the overriding factor?

In some cases specific abilities necessary to do the job may limit the choice but usually it is possible to broaden selection criteria.

John Crump of Kaisen Consulting, Bristol-based occupational psychologists, says that some people prove less adaptable than others when they go overseas.

Not everyone could work, for example, in Kamchatka, but many more, perhaps, could handle a posting to a Caribbean island such as St Lucia. "There are clearly some people who can work anywhere, some who can't and some in between," he concludes.

Crump argues that companies should seek to examine their employees' inter-cultural adaptability. This can be tested for psychometrically. Crump looks for traits such as tolerance of ambiguity, ability to cope with uncertainty and a capacity to deal with the unexpected.

At the same time it is important for individuals to display resilience and to preserve a sense of their own culture. One thing he looks for is evidence that a candidate may have some kind of portable hobby such as stamp collecting, gardening or scuba diving. These can provide stability and a useful escape from the expatriate lifestyle. Those, however, who crave constant social contact can sometimes be more vulnerable.

Speaking at a Price Waterhouse International Assignment Services Conference, he did not manage to convince the whole audience about one of his assertions when he was asked whether some nationals were more adaptable than others to foreign lifestyles.

He said there was no statistical difference between cultures. "It is much more to do with the way you are as a person. I think it is wrong to stereotype nationalities," he said, adding that it was possible to be "contaminated with your own culture". But it was clear that there were many in the audience who preferred to cling to the notion of national stereotypes.

The conviction that stereotypes exist may well be anecdotal and folkloric but almost everyone I spoke to privately had an example they could quote, be it "conformist and efficient" Germans, Italians who "talk too much" at conferences, naive Americans, standoffish Britons or arrogant Frenchmen. Interestingly, they could turn these traits upon their heads, depending on their prejudices. One man's insufferable Frenchman can be another's paragon of culture and charm. Once they felt it acceptable to say so, virtually everyone had a story that illustrated the stereotype.

While political correctness may push these beliefs beneath the surface they can maintain a powerful presence, if only subliminally, in decisionmaking.

Recognition of racial bias is one reason why many personnel departments attempt to weed out evidence of ethnicity from job applications. It is more difficult to get rid of such bias when the candidate is known to the decisionmakers. Crump's argument is that consideration of national traits gets in the way of effective selection.

His solution is to test for suitability. It also pays, he says, to listen carefully to people's preferences. He has found, for example, that people who want to work overseas tend to adapt more readily than those who do not. "I think it is a false economy to send people overseas if they don't really want to go," he said.

While this may seem blindingly obvious it is something that is often ignored by managers who have one individual in mind and who become, as a result, blinkered to warning signs that they have made the wrong choice.

Flexible job market

While debate continues over the extent of the trend towards the flexible labour market, attitudes to flexibility among working people appear as entrenched as ever. The overwhelming majority of job-seekers, according to a new piece of research, still want a full-time job.

The research, carried out by Sanders & Sidney, the outplacement specialist, canvassed the views of 79 employers and 231 job seekers who had undergone outplacement programmes. Nearly three-quarters of employers had begun to offer temporary contracts and thought they were here to stay. Almost half of them thought that fixed-term contracts could become as prevalent as the traditional open-ended contract. Both employers and employees questioned in the study, concluded, on the whole, that companies stood to gain most. But there were one or two other pointers in the study which suggested that potential gains may not be clear-cut.

There was little evidence of any progress in improving the attraction of short-term contracts. People were concerned that they would have difficulties making long-term financial commitments such as mortgages and insurance policies.

Additionally, the majority of job-seekers thought that fixed-term contracts could adversely affect a company's culture, making team-building more difficult, causing uncertainty among employees, and making them less committed. The advantages they listed – the chance to experience a range of jobs and increased freedom – did not outweigh the disadvantages.

There seems to be a view that the hostility of employees to fixed-term contracts is to be expected but will subside in time. Veronica Hope Hailey, a lecturer in human resource management at Cranfield School of Management, says: "The prevailing mood is normal in a time of transition and does not imply an indictment of the change itself but of the process of change."

Certainly, the process of change could have been handled better.

Contract work has been introduced without much restructuring of loan mechanisms that assume continuity of employment. Many people are still in final salary pension schemes which offer poor transfer values if they leave. The employment system remains geared to full-time jobs.

Until this support system changes we might expect current attitudes to prevail and employers may ask themselves if they are losing the best job candidates to competitors who offer a full-time job.

If short-term contracts are to become the norm they will need a far more sophisticated support system than exists at present.

The iniquities of the two-tier system of employment that has emerged in recent years, along with downsizing, has led Geoff Armstrong, the director general of the Institute of Personnel and Development to call for a government inquiry into employee relations. Additionally he argues that boards should set out their management and employee development approaches in their annual reports.

While such a demand has merit the problem with policy outlines is that they can turn out to be as empty as a mission statement – worthy stuff but sometimes no more influential than Neville Chamberlain's famous piece of paper.

Do titles matter?

The case for increasing job status seems unsustainable in a business climate that demands flatter structures, less hierarchy and an end to traditional distinctions between blue and white collar workers.

At least that was my understanding until I saw the announcement this week that Oxford University had almost doubled its number of professors, creating 162 professorships in a single day. Has there been a sudden outbreak of academic excellence? Have so many lecturers reached seniority in one go?

They will get no more money and will not be expected to take on any more duties. They don't even get a different colour chair. But they will be mindful of the cachet conveyed by the title of professor on the lucrative and impressionable US lecture circuit. Job titles, it seems, still make a difference.

Richard Donkin

CORPORATE FINANCE ANALYSTS

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Interested candidates should send their cv's to *Christopher Squire* at the address below.

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If you have a proven track record of at least 4-5 years experience in equity analysis on any market or sector, strong technical and marketing skills, are interested in relocating to cover the Far East markets (ex Japan) and wish further details, please contact:

Emma Weir or Andrew Sutherland
Eban International Limited

Tel: (852) 2521 9933
Fax: (852) 2869 8576
1002, Sing Pao Centre,
8, Queen's Road Central,
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Opportunities in Southeast Asia

Risk Management Consulting

Aon Risk Services is one of the world's leading Risk Management and Insurance Broking Service providers and part of the US based Aon Corporation with over 350 offices around the world and more than 13,000 employees. Aon Corporation is a holding company that comprises a family of insurance brokerage, consulting and insurance underwriting subsidiaries, with assets exceeding US$ 17 billion and is listed on the New York, Chicago and London stock exchanges

The Corporate Division of Aon provides a wide range of risk management and insurance broking services to large corporate and public sector clients throughout the UK. We are now looking to strengthen our consulting team by the addition of one or more persons with proven qualities in two or more of the following areas.

- A good understanding of the Total Cost of Risk and how it should be managed
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The successful candidates could come from finance, industry or public sectors and will hold an appropriate accountancy or other professional qualification. In addition you should have strong interpersonal skills and be comfortable in making high level presentations (as part of a team).

AON

Aon Risk Services

Please send your application including a detailed CV and details of your current remuneration package to Helen Conway, Operations Director, Corporate Division, Aon Risk Services, 6 Braham Street, London E1 8ED.

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If interested in this excellent opportunity to further your career with a premier City Investment Bank which carries with it a highly competitive remuneration package, commensurate with skills and experience, please forward your CV (quoting ref. PDM1002), to:

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APICORP is an inter-Arab Corporation established by the member states of OAPEC to finance and invest in petroleum sector projects. Total assets exceed U.S.$1,250 million. The Corporation, based in Al-Khobar, Saudi Arabia, now wishes to appoint to its Treasury & Capital Markets Group:

Manager - Equities

This position reports directly to the Head of Treasury & Capital Markets Group.

Assistant Portfolio Manager - Equities

This position reports directly to the Manager - Equities.

Suitable candidates must have experience with a proven track record in the following:

- Responsible for the overall equity portfolio management/ trading.
- As a senior member, will play a major role in the overall investment activities of the Division, formulating and implementing strategy, and contributing significantly to the overall asset allocation process.
- Fundamental aspects of economics with in-depth knowledge of international Equity Markets, with particular emphasis on U.S. and European markets.
- Most likely a numerate graduate, in his mid 30's - mid 40's, with a minimum of 10 years equity investment management experience.

- Equity Portfolio Investment / Trading.
- Fundamental aspects of economics with good understanding of international Equity Markets, with particular emphasis on U.S. and European markets.
- Demonstrate good analytical skills and portfolio management abilities.
- Integral team member, providing both research and analytical inputs.
- Talented graduate, in his 30's, with a minimum of 5 years equity investment experience either as an analyst or portfolio manager.

Candidates are expected to be team players with good inter-personal skills and a profit making track record.

In addition, PC skills with Portfolio Management software, and good understanding of spreadsheet and database applications will be beneficial. The candidates will also be required to assist in the preparation of formal reports on market conditions and appropriate strategies.

The candidates are expected to possess excellent verbal and written communication skills. Individuals must have the ability to think independently and to back their own judgment.

Successful candidates will work together with highly qualified and experienced colleagues of different nationalities. They will be offered exciting and rewarding opportunities to participate in the activities of a dynamic group.

The appointment will be for an initial 2 year contract, renewable. In addition to the highly competitive tax-free salary, there is a comprehensive benefits package which includes free fully-furnished accommodation, transportation and education allowances, medicare, relocation expenses and a contributory retirement fund.

Applications in the strictest confidence, giving relevant details of personal and career history and a recent passport size photograph may be sent to:

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CHASE

Eastern European Economist

Chase is one of the world's foremost financial institutions. They are a leading participant in global emerging markets, with an excellent international reputation in research. The London team are responsible for covering emerging European and African economies and are currently looking to *increase their team with the recruitment of a senior economist.*

Reporting to the head of emerging market research in London, the economist will be acting as the primary provider of research and analysis for key countries in Eastern Europe. This will include establishing and maintaining first rate contacts in each country, providing timely forecasts and written reports giving views on economic, political and financial market developments. It will also involve advising on credit issues and formulating views on interest and exchange rates. This is a high profile position, requiring constant interaction and communication with local and international sales and trading teams as well as the bank's extensive international client base.

The successful candidate will have an excellent first degree in economics and probably a masters degree. Recent work experience will include at least two years spent as an Eastern European macro economist, preferably within a financial institution, a multilateral organisation or an economic consultancy. An understanding of interest rate markets is essential, together with fluency in English and at least one other relevant language. First class presentation and written communication *skills are also required.*

A highly competitive remuneration package is offered which will reflect the demands and importance of the position, together with the experience and ability of the individual. If you are interested in being put forward for this position, please contact Clare Kearns at ASL Search and Selection.

ASL Search and Selection
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Based in Sydney and reporting to the Managing Director, this will be a key executive position. The role will provide leadership to members of the Sydney underwriting team and high quality support to the Managing Director. In addition, the successful candidate will be expected to directly underwrite a substantial book of business.

The successful candidate will have at least 10-15 years experience as a reinsurance underwriter in international markets. A demonstrable track record as a successful lead underwriter of a substantial book and proven management of an underwriting team are prerequisites for this role.

A team player with good communication skills is sought.

A recognised insurance qualification is required and tertiary education desirable but not essential.

An attractive and market-competitive package will be available commensurate with the importance of this key role.

To apply for this challenging role, please forward your c.v., quoting Ref: DLM/1308, to Miller Leake Advertising, 50 Harvey Road, Farnborough, Hampshire GU14 9TW. All applications will be forwarded to the consultant responsible for this assignment. Telephone enquiries cannot be accepted.

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Reporting directly to the Chief Executive, you will play a crucial role in developing the bank's trade and investment affairs throughout Europe and North America. Key tasks will include:

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- Maintaining and developing relationships with correspondent banks in the UK, Europe, and North America.
- Advising and assisting the bank's customers with their business activities and objectives.
- Managing the representative office and ensuring compliance with regulatory bodies.
- Maintaining relationships with the EBRD, ECGD and other similar bodies in the UK and overseas to develop opportunities for the bank.

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For this challenging and prestigious role, we seek someone with substantial experience at a senior level in a major commercial or investment bank. This experience will include direct involvement in large international financing transactions, including both trade and project finance. You will need to have an extensive network of contacts, built up over a long period, with financial institutions in the UK and Europe. Experience in advising corporates on restructuring and business planning will be useful, as will a background in working in developing economies in Europe or other non English-speaking countries.

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Next Step

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London SE1 9QL. Fax: 0171 939 4707
E Mail: Judith_Richardson@Europe.notes.pw.com

CORPORATE FINANCE

The client, a leading fully integrated investment bank with significant global presence, is enjoying considerable growth and development within the Corporate Finance department. To consolidate this success and accelerate market penetration a number of key appointments have been identified.

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As part of the Financial Institutions Group, your role will be both the origination of deals and the management of the transactions. Deal type are primarily M&A advisory across a broad sector spread including Banks, Building Societies and Insurers. You will be able to demonstrate a significant track record of success in this area.

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A number of opportunities exist at this level dealing with a variety of industry and country sectors for candidates possessing 2 years+ corporate finance M&A experience and ideally ACA 1st time passes from one of the 'Big Six' firms.

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SIB

Investment Market Conduct

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This will involve leading discussions with other regulators and analysing complex market situations against relevant legislation and high standards of integrity. The product will be guidance and/or regulatory proposals to address these issues. It will be necessary at times to give rapid views and guidance on real time market issues.

Candidates for this role must have proven leadership and analytical skills combined with excellent spoken and written communication skills. Familiarity with the law and drafting documents is necessary though a formal legal qualification is not a pre-requisite. Of greater importance is an ability to build consensus and complete projects quickly and efficiently through pro-active negotiation. Excellent project management skills are imperative. Previous knowledge of financial markets is an advantage but candidates with a demonstrable interest in financial markets and prepared to undertake a steep learning curve will also be considered.

Interested applicants should in the first instance contact Sue Lintern at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH for an information pack, quoting reference number 299525. Telephone 0171 831 2000. Closing date Wednesday 24th July 1996.

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GUINNESS FLIGHT
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Guinness Flight Global Asset Management Limited,
Lighterman's Court, 5 Gainsford Street, Tower Bridge, London SE1 2NE.
The closing date for applications is Friday 26th July 1996.

Issued by Guinness Flight Global Asset Management Limited, regulated by IMRO and the Personal Investment Authority.

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Senior Equity Sales Manager

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THE POSITION

Senior institutional salesman/woman with special focus on large institutional clients with complex geographical localisation (US originated clients in particular). The role will involve direct sales contact as well as coordination of the team efforts in enhancing FIBAs profile with these clients. Extensive travelling should be expected.

QUALIFICATIONS

- Master of Business Administration or similar from well reputed university
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- Fundamental approach, analytical background an advantage
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- Candidates in the late 20s/early 30s will be preferred.

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Please send full CV stating salary last year to FIBA Nordic Securities (UK) Ltd., CU Building, St. Helen's, 1 Undershaft, London EC3P 3DQ. Attn: Managing Director. All applications will be handled on a strictly confidential basis.

Please mark the envelope "Equity Sales".

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Roca

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Senior Personnel Officer,
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THE POSITION

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- Responsible for treasury management and intercompany finance.
- Establish and maintain relationships with international banks and multi-lateral finance institutions.
- Responsible for structuring and negotiating project finance deals in emerging markets.

QUALIFICATIONS

- 4-5 years banking experience in treasury management and/or corporate finance; or

  4-5 years experience in corporate finance with a large international company (treasury management).
- Project finance experience in emerging markets is a distinct advantage.
- Age 28-32 - University graduate with a degree in finance or economics. Highly motivated self-starter with the ability to work autonomously in a multicultural team.

Please send CV in strict confidence to:
Director Human Resources Millicom International Cellular S.A.
75, Route de Longwy - L-8080 Bertrange - LUXEMBOURG

ERMGASSEN & Co

The London-based Corporate Finance and Fund Management partnership is looking for experienced corporate finance professionals. Applicants with thorough experience in project finance or with a leading international strategy consultancy will be equally considered. If you also have a good university degree and are fluent in at least one other European language please apply to:

Roger Edmunds
Vice President - Administration

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IN BRIEF

Matif and DTB look at clearing system

The French and German derivatives exchanges are renewing discussions about the development of a common clearing system for their products after abandoning more wide-ranging co-operation plans this year. Matif (above) in Paris and the Deutsche Börse in Frankfurt, which includes the DTB derivatives exchange, are considering an extension of their link, under which German products are traded electronically in France. Page 15

US paper groups suffer big falls
Two big US paper companies, Georgia-Pacific and Champion International, mirrored International Paper's results on Tuesday by reporting profit downturns in the quarter to June. Page 14

Brazilian state in talks on power sale
The Brazilian state of Minas Gerais is in talks with two potential investors – Southern Electric of the US and Chilectra of Chile – over the sale of a 32 per cent share of the voting capital of Cemig, the state electricity company. Page 14

Roche and Abbott to seek Aids approval
Roche, the Swiss drugs company, and Abbott Laboratories, its US rival, plan to seek approval of a new Aids treatment early next year following publication of some of the most promising trials results released at this week's international Aids conference in Vancouver, Canada. Page 15

Kvaerner to drop Trafalgar House name
The Trafalgar House name, adopted by Sir Nigel Broackes when he founded the construction, engineering and shipping group in 1956, is to disappear following the company's £904m ($1.4bn) purchase by Kvaerner, the Norwegian engineering and shipbuilding group. Page 16

Tribal violence stalls Indian gas search
A sustained violent campaign by tribal insurgent groups in the north-east Indian state of Tripura is seriously hindering efforts to develop the state's gas resources. Page 30

Polish index's loss reaches 6% for week
In Warsaw, shares fell for the fourth consecutive session, bringing the Wig index's loss so far this week to 6 per cent, although it is still up about 80 per cent on the year. The index lost 1.5 per cent to close at 13,424.9. Page 30

Companies in this issue

Market Statistics

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Allianz	2650	+	59
BHF Bank	42.05	+	2.55
Hochtief	671	+	11
Falls			
DLW	110	–	20
GEHE	999.50	–	10.50
Linotype	62	–	6
NEW YORK ($)			
Rises			
H J Heinz	31⅝	+	1
Russell	29¼	+	1⅝
Falls			
Aetna Life	58½	–	6½
HFS	58	–	5⅞
Hewlett-Pack	79¼	–	9½
Utd Health	32¾	–	11⅝
LONDON (Pence)			
Rises			
Goode Durrant	410	+	22
Inveresk	142	+	9
Norcity II	83	+	7
Tadpole Tech	65	+	7
Falls			
First Choice	68	–	9
VHE	90	–	9
TORONTO (C$)			
Rises			
AIM Safety	10.25	+	0.70
Arequipa Res	28.35	+	6.35
Cen Minerals	9.40	+	0.75
Falls			
Mosaid Tech	23.50	–	1.95
Newbridge Net	75.65	–	6.85
Spectrum SIS	11.00	–	1.50
PARIS (FFr)			
Rises			
Eurafrance	2025	+	14
Soc Generale	592	+	22
Falls			
Intertechnique	545	–	19
LVMH	1210	–	25
l'Oreal	1587	–	27
Pinault Prtn	1064	–	29
TOKYO (Yen)			
Rises			
Sekisui Bldg	1000	+	50
Taisei Prefab	899	+	52
Yondenko	1080	+	58
Falls			
Kawai Music	583	–	47
Takashima	735	–	45
Topcon	1300	–	40
HONG KONG (HK$)			
Rises			
China Aero	1.35	+	0.22
HK Ferry	10.75	+	0.70
Vtech Hldgs	14.70	+	1.30
Falls			
Cable & Wire	45.00	–	2.00
C.P. Pokphand	2.80	–	0.175
New Asia A	24.00	–	0.90
BANGKOK (Baht)			
Rises			
Inoue Rubber	72.50	+	6.50
L.P.N. Dev	41.50	+	2.50
Sisco	55.00	+	3.50
Falls			
GSS Elec	66.50	–	3.50
Siam City	222.00	–	8.00
Siam Sport	110.00	–	4.00

New York & Toronto prices at 12.30.

Gazprom plans October share offer

By Nicholas Denton in London and John Thornhill in Moscow

Gazprom, the Russian energy company with hydrocarbon reserves greater than Shell and Exxon combined, plans in October to offer up to 9 per cent of its shares internationally.

The over-the-counter market in Moscow, which is highly illiquid, values Gazprom, Russia's largest company, at about $4bn. But western investment bankers value the gas group at anything between $20bn and $200bn.

The proposed offering, which Gazprom announced yesterday, had been on hold but President Yeltsin's re-election this month revived international confidence in investment in Russia and prospects for the deal.

It is likely to be Russia's largest international equity offering since the country cast off communism in 1991.

The money raised should surpass easily the $230m committed by investors in Lukoil, the leading Russian oil company, recently.

Although Gazprom has a fifth of the world's gas reserves, it contends with a host of problems such as late payment by customers, whose arrears increased by Rbs1,000bn ($196m) in the last quarter alone, according to the company.

Gazprom said the issue would consist of Depository Receipts – proxies for its shares which are designed for western investors. The underlying shares will be deposited at Bank of New York.

The company named Kleinwort Benson, its long-standing adviser, as financial consultant. It said a consortium – expected to include leading international investment banks such as CS First Boston – would distribute the offering.

However, Gazprom left open the position of lead manager. Kleinwort Benson is expected to take the high-prestige and lucrative role, but other investment banks have tried to become joint lead managers.

Kleinwort Benson drew up plans for an international equity offering in 1994, but the Mexican financial crisis clouded the atmosphere for emerging markets issues and the timetable for the deal slipped.

In 1995, the focus turned to a trade sale to a group of west European energy companies such as Gaz de France which the investment bankers thought would have stomach for the risks in investing in the Russian gas conglomerate.

However, the western companies' offers disappointed Gazprom. As President Yeltsin's electoral chances improved and emerging markets came back into investment fashion, Gazprom revived plans for the equity offering and gave the go-ahead after President Yeltsin's return to power.

Deutsche Babcock to offload 'jewel'

By Michael Lindemann in Bonn

Deutsche Babcock, the German engineering conglomerate, has won agreement from creditor banks for an additional DM600m ($395m) in funds and is planning to sell its stake in Schumag, the engineering company which is its most profitable business.

The money will be used to fund a restructuring programme to streamline Deutsche Babcock's activities and close several lossmaking units.

Deutsche Babcock shares rose DM1.45 to close at DM63.60. That compares with DM91 at the beginning of July and DM142.50 at the start of the year.

Mr Heyo Schmiedeknecht, Deutsche Babcock's chief executive, has frequently described Schumag, a company making specialist machinery, as "the jewel in the crown" of the group.

The Aachen-based company reported operating profits of DM34.8m on sales of DM345m in the last financial year ending September 30, a return on sales which ranks among the best in the German engineering sector.

Deutsche Babcock, which had sales of DM8.3bn during the same period, reported operating profits of DM82m.

Some analysts said the sale of Deutsche Babcock's 70 per cent stake in Schumag did not bode well for the company's future.

"If they are selling off the family silver what will be left?" asked Mr Alex Magona, a London-based engineering analyst at Robert Fleming Securities. "What remains are the parts of the business that don't command decent margins and that will make the turnround even more difficult."

Deutsche Babcock's five core creditor banks said they would support the company, while most of its 50 smaller creditor banks have also indicated they would persevere with outstanding funding arrangements.

Earlier this year Mr Schmiedeknecht said he wanted to find buyers for MAW and Kugelhahn, two subsidiaries which were reporting some of the group's highest losses.

However, in recent weeks it has emerged that these companies will now have to be closed.

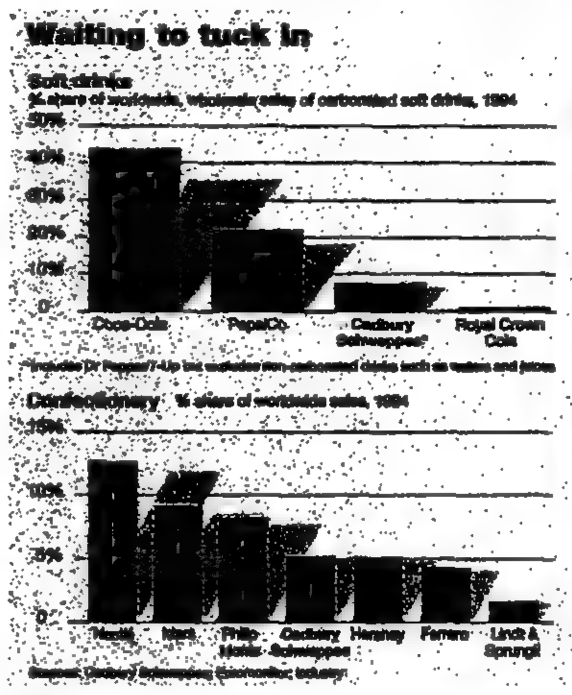
The closures and related restructuring costs mean that Deutsche Babcock expects a group loss this year of DM400m, compared with a net profit of DM46m a year earlier.

The restructuring is due to be completed by the end of 1997 and the company said it expected to report profits again in September 1998.

Food and drinks group has a strategic dilemma – it's not big enough

Cadbury hopes a diet of chocolate will help it grow

Waiting to tuck in



John Sunderland: Cadbury Schweppes' new chief executive

Toss a can of Dr Pepper around Cadbury Schweppes's London headquarters and chances are you won't hit a single senior executive – they are usually on the road, such are the demands of building global businesses in soft drinks and confectionery.

On a recent week, Mr Dominic Cadbury, chairman, was in Russia while Mr David Wellings, chief executive, was in China, both checking on new chocolate factories. Mr John Brock, head of soft drinks, was on the US leg of his near-weekly transatlantic commutes.

Mr John Sunderland, head of confectionery, was in the UK but at Bourneville, the historic centre of Cadbury chocolate making. From September his horizons expand. As chief executive after Mr Wellings retires, he will inherit one of the most intense strategic dilemmas of any UK company with global aspirations.

In global carbonated soft drinks, Cadbury Schweppes is a distant third to Coca-Cola and PepsiCo; in confectionery it is fourth to Nestlé, Mars and Philip Morris's Kraft Jacob Suchard.

It wants to be much bigger in both businesses. But where will Cadbury Schweppes find the targets, money and management to achieve its twin global goals? After all, its market capitalisation weighs in at £5.2bn ($7.8bn) against Coca-Cola's $122bn PepsiCo's $54bn, Nestlé's $45bn, Philip Morris's $87bn and Mars's large but undisclosed private wealth.

The top three carbonated soft drinks groups control about 75 per cent of the world market but the top six chocolate makers have less than 50 per cent of theirs. Thus, "there's more opportunity in the end-game of concentration in confectionery", Mr Sunderland said.

Any one of three chocolate makers would be a big catch for Cadbury, analysts believe: Hershey, giving it a leading role in the US, Ferrero of Italy or Lindt & Sprungli of Switzerland. The trouble is they are expensive and unavailable. Hershey is controlled by a charity, Ferrero by a family that still loves making chocolate and money and Lindt is dominated by a minority family shareholding.

Cadbury executives privately confess their interest in these companies but acknowledge they could wait years even to strike up some form of alliance. Meanwhile, they are broadening Cadbury's product range abroad and extending its geographic reach.

This piecemeal approach makes heavy demands on management and finances. Last year, Cadbury paid £108m to buy Neilson Cadbury in Canada to make it number one in a mature, medium-sized market. Investment in emerging markets is costly and time consuming.

Soft drinks also require a piecemeal approach as there is no large acquisition left. The Purchase of Dr Pepper/7-Up the US for $1.7bn last year was the only attractive one, making Cadbury the second largest non-cola soft drinks group in world.

The Dr Pepper deal made Cadbury more of a threat to Coca-Cola and Coca-Cola responded ruthlessly. It dropped some Cadbury root beer and fruit juices from its bottling system, vowed to unseat Cadbury as US root beer leader by the year-end and is trying to stall 7-Up with Sprite, its own lemon-lime brand.

Cadbury has taken some of the heat out of the competition by negotiating some unusually long-term agreements for its brands within the bottling system owned or controlled by Coca-Cola. Against an industry norm of 90 days, Dr Pepper has a five-year cancellation notice while other Cadbury brands have three years' notice.

The enormous task for Cadbury's overseas soft drink's goal is brand building. Dr Pepper is its best shot at creating its first global name. The brand is little known outside the US but launches this year in Mexico, the UK and Australia. It is also seeking to build Crush orange and Schweppes mixers into international brands.

Cadbury is renowned for its marketing skills, as witnessed by its 12 per cent operating margin, the highest among large UK-owned food and drink groups. It is happy to franchise these brands to other bottlers rather than own its production. Thus Cadbury will always be dependent on production deals with bottlers whereas Coca-Cola and PepsiCo are developing their own systems.

Cadbury is plunging deeply into brand franchising by selling its UK bottling joint venture with Coca-Cola.

For all the fame of Schweppes, the market share is small. Cadbury has only one brand in the UK top 10 – Cresta at number six – and is a weak third to Coke and Pepsi. Cadbury has 8.5 per cent of the market but private label and minor brands have 46 per cent, according to Beverage Digest, the US trade publication.

Globally, Cadbury will only prosper in soft drinks living on its marketing and deal-making wits. Although it has links with PepsiCo in eastern Europe, the rest of its partners tend to be national and small in an international context.

For many analysts, there is one ultimate deal they expect Cadbury to make: selling its soft drinks to fund a large confectionery acquisition. Finding a buyer could be tricky. With PepsiCo probably blocked by US anti-trust laws, "who else wants to get into soft drinks in competition with Coke?" asks one US analyst. Perhaps only Procter & Gamble, Nestlé and Unilever have the money and confidence but that does not mean they would buy.

As chief executive and potential chairman when Mr Cadbury retires in 2000, Mr Sunderland will wrestle with these strategic issues. If he resolves none during his term, he will have to balance opportunities for incremental growth against Cadbury's relatively limited resources – and under pressure from bigger competitors.

Roderick Oram

Barrick bids C$915m for golden opportunity in Peru

By Bernard Simon in Toronto

Barrick Gold, the biggest gold producer outside South Africa, unveiled a C$915m (US$669m) cash bid yesterday for Vancouver-based Arequipa Resources, a four-year-old exploration company whose main asset is a promising gold property in Peru.

Arequipa was expected to respond to Barrick's offer late yesterday. However, other bidders might emerge. Several mining companies are known to have taken a close interest in Arequipa's Pierina deposit, about 400km north of Lima.

Preliminary estimates indicate that Pierina contains about 5m ounces of gold. Further drilling is required to delineate "proven and probable" reserves, and assess the feasibility of a mine.

Barrick said yesterday: "It's a very interesting resource. We would like the opportunity to develop it."

Barrick has offered C$27 for each of Arequipa's 33.9m shares. The offer is 23 per cent higher than Wednesday's closing price, but below its recent peak of C$34.75. The offer is conditional on acceptance by holders of at least 50.1 per cent of Arequipa shares.

Arequipa's shares jumped to C$28.15 in early trading in Toronto yesterday, indicating that the market expected other bids. Barrick shares lost C$1.10 to C$38.80.

Analysts said the bid was on the high side, given the relatively sparse knowledge on Pierina. Mr Bill Belovay, analyst at CIBC Wood Gundy, said: "My sense is there's something bigger than is known on the street."

Barrick, which is controlled by Mr Peter Munk, the Canadian entrepreneur, has a history of finding unexpectedly rich reserves on properties it has acquired.

It has made international expansion its highest priority in recent years. It gained control of the large El Indio deposit in central Chile two years ago, and has sharply increased exploration spending, especially in Latin America, south-east Asia and Africa.

Arequipa's chairman, Mr David Lowell, is credited with discovering the Escondida copper deposit in Chile, site of what is now one of the world's biggest copper producers.

Mr Lowell owns about 10 per cent of Arequipa's shares. About 12 per cent is held by a Hong Kong investment group.

JP Morgan defies fears of copper trading loss

By Maggie Urry in New York

J.P. Morgan confounded speculation that it had lost $100m in the Sumitomo copper trading debacle as it posted second-quarter results well above analysts' expectations. Its commodity trading activity broke even.

Net income for the quarter was $440m, up from $315m in the same quarter of 1995, and marginally ahead of the first-quarter result of $439m.

Earnings per share in the quarter were $2.14, up from $1.56 a year ago, and from $2.13 in the first three months. According to the survey of analysts forecasts by First Call, the research firm, the market was expecting earnings per share of $1.81.

Mr Douglas Warner, chairman, said the results showed the bank's drive to "earn an increasing share of our clients' business" was paying off.

Within total revenues of $1.76bn, up 22 per cent from the same period last year, and from $1.74bn in the first quarter of this year, commodity trading revenues fell from $11m to nil, after the interest costs of carrying positions.

The bank declined to put a figure on its copper losses, but they were understood to be relatively modest and far smaller than market speculation. J.P. Morgan runs a diversified book and profits were made in other commodities, offsetting the copper losses.

The strong earnings were driven by high trading activity, and investment banking business. Revenues in many areas, such as fixed income, equities and foreign exchange trading, were double those of the previous year.

The results defied predictions that the buoyant trading conditions of the first quarter could not continue. Although fixed income trading has begun to slacken, other areas held up well.

In investment banking, underwriting revenues rose from $41m in the second quarter of last year to $111m. Merger and acquisition fees were up from $76m a year ago to $99m.

Investment management fee income rose 25 per cent to $172m. Proprietary trading activities generated revenues of $125m, up from $49m. However, a move to lower the risk profile of its investment securities book in the face of rising US yields, led to a loss of $51m, compared with revenues of $33m in the previous year.

HP warning hits US technology stocks

By Louise Kehoe in San Francisco

US high-technology stocks fell sharply yesterday morning following Hewlett-Packard's warning that it is seeing a broad slowdown in order growth involving most of its products in many regions of the world.

HP's announcement, which came after the close of trading on Wednesday, raised investor fears of a long-anticipated downturn throughout the information technology sector.

HP's shares fell $10, or 11 per cent, to trade at $79 in mid session. IBM was off $2¼ at $96¾, Sun Microsystems dropped $3⅝ to trade at $50, Intel was down $2⅝ at $70½ and most other technology stocks followed suit.

HP's announcement came as a surprise, because the company has been the strongest performer among large US computer companies over the past two years. During its second fiscal quarter, which ended in April, the company reported a 24 per cent rise in new orders.

Over the past two months, however, order growth had slowed "significantly", HP said. Products affected include "a number of computer products and most of our measurement instruments."

"We're seeing the effects of customers and channel partners [distributors] who are adjusting their inventories and capital spending," Mr Lew Platt, chairman and chief executive, said. "This slowdown in order growth, as well as intensifying price competition, will hurt our revenue growth and profitability."

HP said business growth slowed over the past two months in the Americas and in the Asia-Pacific region. European markets, weaker during the second fiscal quarter, continued to be slow.

"We don't know yet whether the forces that are affecting our order growth represent a fundamental shift in the business climate or more seasonal, transitory fluctuations in demand," Mr Platt said.

HP said that it was difficult to tell, at this point, whether the pattern of slower order growth seen over the past two months signalled a general weakening of market conditions. Company officials conceded, however, that there was concern that this may be a downturn in the market.

The summer months are typically a slow period for computer sales due to European holidays. Moreover, the pattern of orders seen over the past two months "is not outside the realm of normal business fluctuations," HP said.

Other leading US computer companies were precluded from commenting on market conditions because they are in a "quiet period" imposed by the Securities and Exchange Commission immediately prior to their quarterly earnings reports, which are expected over the next two weeks.

The HP announcement, together with lower than expected earnings from Motorola, which reported earlier this week, and anticipation of weak results from the semiconductor sector have, however, set the scene for a broad sell-off of technology stocks.

World Stocks, Page 30

Paper companies see profits tumble after price falls

By Richard Tomkins in New York

Two big US paper companies, Georgia-Pacific and Champion International, yesterday mirrored International Paper's results on Tuesday by reporting big profit downturns in the quarter to June.

Georgia-Pacific said it made net profits of just $5m, down from $265m in the comparable period – although the figure would have been $55m without special charges for an early retirement programme and the retirement of debt.

Champion International reported net income of $16m, down from $188m a year earlier. Mr Andrew Sigler, chairman and chief executive, said the main factor was price erosion in the paper segment, particularly for uncoated free sheet papers and pulp.

International Paper, the world's biggest paper company, saw net profits tumble from $316m to $89m, but it gave an optimistic assessment of the outlook. It said demand was improving across all big product lines and price erosion was moderating.

After an excellent 1995 when product prices soared, paper companies saw demand slump at the end of the year as customers responded to rising prices by stocking up. This led to sharp falls in prices for many paper and packaging products, and by the turn of the year most paper companies were warning that profits would fall in the early part of this year.

Yesterday, Mr Pete Correll, chairman and chief executive of Georgia-Pacific, described this year's first half as "challenging", but he said that economic growth and increasing demand in the US and the rest of the world should bring about an improvement in the rest of the year.

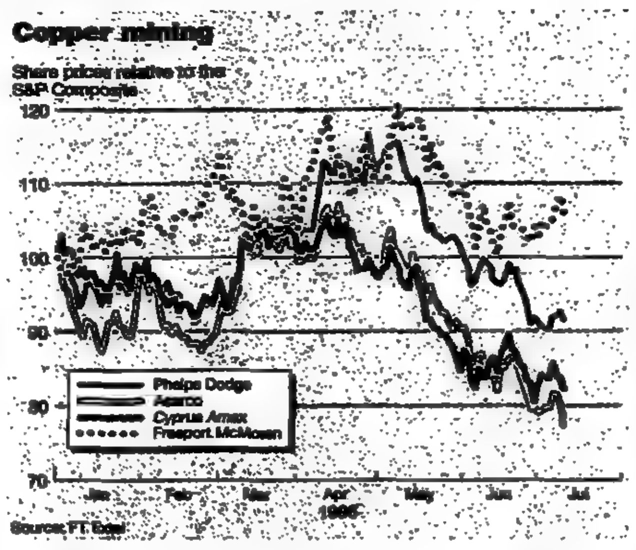
Communication papers pricing bottomed during the quarter and demand began to rebound, Mr Correll said. Containerboard suffered from industry overcapacity which depressed pricing. The company's tissue business remained strong, with earnings nearly double those of a year ago.

Mr Correll said Georgia-Pacific's lumber and structural panels businesses strengthened considerably in the second quarter. Wood products consumption was very strong in the first half, with housing starts in the first five months 14 per cent greater than a year earlier.

Champion's Mr Sigler said there had been signs of improvement in demand and price for key grades in May and June.

US copper groups braced for the Sumitomo effect

Lower prices mean earnings are expected to fall sharply in second quarter



Source: FT Extel

The earnings outlook for publicly-traded US copper mining companies has taken a distinctly bearish cast, as analysts revise their revenue forecasts to reflect slumping metals prices.

The US companies are due to release second-quarter results later this month. Their reports will give the first glimpse of the impact of sharply lower copper prices on corporate results.

While world copper prices have rebounded from the lows reached a month ago, when Japanese trading group Sumitomo Corp revealed $1.8bn in losses from copper trading, copper producers are expected to suffer from lower metals prices in both the second and third quarters.

Although most well-managed copper companies have hedged their exposure to copper market declines using put options, the price protection was taken at levels far below their average realised copper prices last year, and will not prevent sharp earnings declines.

On Tuesday, Freeport-McMoRan Copper and Gold shocked industry analysts by saying it expects second-quarter earnings to be below 20 cents a share, lower than the company's second-quarter earnings last year, and well below the average Wall Street estimate of 29 cents a share.

Although Freeport is one of the lowest-cost copper producers in the world, and its sales of copper and gold were strong during the quarter, the company said its practice of provisional pricing would result in virtually all of its second quarter copper sales being recorded at a rock-bottom 90 cents a pound.

The announcement sent securities analysts back to their calculators, since most of their estimates for copper company earnings are based on the assumption of an average copper price of about $1.11 a pound this year.

While that is 22 cents a pound lower than last year's average LME copper price, the Freeport example "shows the true copper price realisations for these companies in the second quarter has little to do with average LME prices," says Mr Vahid Fathi, metals industry analyst for Everen Securities.

Even without the Sumitomo debacle, long-term prospects for copper prices are weak, with output from new mines generating a supply-driven cyclical downturn. CRU, an international consultancy firm that collects metals statistics, estimates world copper production will expand by 9 per cent this year, while western world demand is predicted to remain flat.

"We had been bearish before Sumitomo, because of the new supply coming on," says LeAnne Baker, metals analyst for Solomon Brothers. New mining and processing projects require long-term planning, and the recent drop in copper prices has not stalled any expansions. "It doesn't appear that any projects scheduled through 1998 will come under pressure," Ms Baker says.

Expectations for lower prices continue into next year, with the First Call consensus price, derived from a survey of 18 copper industry analysts, dropping to $1.01 a pound in 1997, from $1.11 this year.

Since a fall of one cent a pound in the price of copper can trim 10 cents off the annual earnings per share of a leading copper producer, it is not surprising that analysts expect copper company results to drop sharply this year, and that earnings forecasts remain as volatile as copper prices.

Phelps Dodge, one of the largest US copper companies, is expected to generate $8.04 a share in operating earnings this year, according to First Call's consensus, and $6.97 in 1997, down from $10.42 last year. Wall Street is looking for the company to earn about $2.10 in the second quarter.

Asarco's operating earnings will drop by nearly 50 per cent, with the First Call consensus for the year at $2.99, from $5.87 last year. Analysts expect Asarco, which has copper mines in Arizona as well as significant mining and processing interests in Peru, to report second-quarter earnings of about 82 cents a share.

Cyprus Amax Minerals, which has large coal and chemical interests in addition to copper mining, is expected to report second-quarter operating earnings at 60 cents a share, down from $1.31 last year.

Laurie Morse

Sony, CBS in TV programming link

By Christopher Parkes in Los Angeles

Sony's US television arm has linked with the CBS network and a talent brokerage, 3 Arts Entertainment, in a joint venture to produce programmes for prime-time TV.

The deal, which marks a further stage in the vertical integration of the US entertainment industry, is an attempt to respond to competitive challenges raised by recent takeovers and network launches.

The partnership, 3 Arts Television, will give CBS, which was acquired last year by Westinghouse Electric, first refusal on its output. It will provide the network with an experienced production company – without having to buy one – and a supply of writing, acting and directing talent.

Sony, which has an improving track record and is responsible for successful programmes currently running on CBS rivals NBC and ABC, is expected to benefit from its first firm alliance with a major network. Stars under contract with 3 Arts include Jennifer Aniston, of the comedy series *Friends*, Winona Ryder and Keanu Reeves.

Integration in the industry, encouraged by deregulation which allows networks to own the programmes they show, has roused fears that production companies without their own networks or at least close alliances, might be excluded.

The Walt Disney purchase of Capital Cities/ABC, for example, provided a powerful blend of production and distribution.

The hiring of group president Mr Michael Ovitz from his former position at the top of Creative Artists, the biggest talent agency in the US, further tightened Disney's links with the creative community.

Time Warner, currently taking over Turner Broadcasting, responded earlier by setting up its own WB network. News Corporation, owner of 20th Century Fox, has also established the Fox network, which has rattled the established big-three concerns, CBS, ABC and NBC, by making substantial inroads into their market share and appealing strongly to the coveted 18-to-49-year-old age group.

The Seagram drinks group's MCA recently attempted to fill gaps in its portfolio with the $100m purchase of a 50 per cent stake in Brillstein-Grey, a successful TV production company. The future of a two-year-old joint venture between Disney's ABC and Brillstein-Grey has not yet been decided, although Disney is believed to be disappointed at the lack of hits.

Swiss Telecom in Malay deal

By James Kynge in Kuala Lumpur

Swiss Telecom, Switzerland's national telecoms operator, signed an agreement yesterday to take a 30 per cent stake in Mutiara Telecom, one of five Malaysian operators with the authority to route international traffic.

The stake, which cost Swiss Telecom M$710m (US$285m), will be obtained by the purchase of new shares in the unlisted Mutiara. Mr Vincent Tan, chairman of the Berjaya Group, is the biggest shareholder in Mutiara, with a personal stake of 48 per cent.

Mutiara's main attraction for Swiss Telecom is that it is the only Malaysian operator – bar the former state monopoly Telekom Malaysia – to have satellite earth stations.

Swiss Telecom plans to help Mutiara form corresponding relationships with overseas operators to route international calls through the earth stations. The Swiss company's participation in Unisource, an international carrier, is expected to help it in this objective.

The earth stations are valuable because the landing points for Malaysia's international telecom cables are owned by Telekom Malaysia, precluding the formation of cable-based corresponding relationships between Telekom's competitors and foreign operators.

Mutiara plans to use the proceeds from Swiss Telecom's purchase to speed up the expansion of its digital cellular subscriber base and develop a fixed-line network. The company currently has 60,000 customers for its digital mobile phone network.

Malaysia's mobile phone market is growing at more than 20 per cent per year and operating margins are just below 40 per cent, analysts said.

From January 1 1999 Telekom Malaysia must provide equal access for its competitors to its nationwide network.

Brazilian state to sell 32% share in Cemig

By Stephen Fidler, Latin America Editor

The Brazilian state of Minas Gerais is in talks with two potential investors over the sale of a 32 per cent share of the voting capital of Cemig, the state electricity company.

Mr Eduardo Azeredo, the state governor, said yesterday in London that the sale would be completed this year. His government was in discussions with two operating companies – Southern Electric of the US and Chilectra of Chile – over the sale of the strategic stake.

According to analysts at Bear Stearns in São Paulo, the value of the stake at the current market price would be $540m. Some 16 per cent of voting shares are traded in the market. The company's book value at the end of March was $1.27bn.

Mr Azeredo said his government would retain a 51 per cent stake in the utility to ensure completion of a $400m programme for electrification of poorer rural areas of the state. Cemig, which he described as the most efficient electricity utility in the country, paid a $58m dividend to the state last year.

Minas Gerais is also moving ahead with privatisation of the two banks it owns. Mr Azeredo said Merrill Lynch had been appointed to advise on the sale of Credito Real, which had 82 branches, 2,000 employees and 500,000 accounts. It was hoping to raise $200m-$300m from the sale, which should be completed this year. It would be followed next by the privatisation of Banco do Estado de Minas Gerais, the state bank, next year.

The governor, a party ally of President Fernando Henrique Cardoso, said he was optimistic about the prospects for a proposal of his that would make Minas Gerais the main beneficiary of the proposed privatisation of the mining giant, CVRD.

The proposal calls for 60 per cent of the sale receipts from CVRD to go to the six states in which CVRD operates, and the rest to the federal government. A quarter of the 60 per cent would would go to pay state debts to Brasília, and the rest would be earmarked to finance infrastructure. Under the proposal, which would help provide important political impetus from state governors for the privatisation, Minas would receive 42 per cent of the funds allocated to the states.

Fannie Mae ahead in second term

Fannie Mae, the Federal National Mortgage Association, saw net income rise from $572.6m, or 52 cents a share, to $667.8m, or 61 cents, in the second quarter to end-June, agencies report from New York.

Earnings per share in the first quarter were 59 cents. Mr Lawrence Small, president and chief operating officer, said the increase in earnings per share between the quarters stemmed from higher guaranty fees, lower extraordinary losses on the call or repurchase of debt, and a reduction in average common shares outstanding.

These factors offset an increase in the provision for losses and an increase in dividends paid on preferred stock, he said. Credit-related losses were $1.2m less in the second quarter of 1996 compared with the first quarter.

The company said that with the strong first half and continued good growth in business volumes, its full-year financial performance prospects were "extremely bright".

Ford strengthens car hire side

By Richard Tomkins

Ford Motor, the US car manufacturer, yesterday surprised observers of the US car rental industry by announcing plans to take full control of Budget Rent A Car, one of the biggest US car hire companies.

The move comes at a time when other US car companies are pulling out of the car rental business. Last year General Motors announced the sale of its National Car Rental, and Chrysler is seeking buyers for its Thrifty Rent-A-Car and Dollar Rent A Car units.

Ford has had an ownership stake in Budget since 1989, when it acquired the company's non-voting preferred stock.

Yesterday it said it planned to take control of the company by buying its common stock.

The move will result in an after-tax charge of $437m to Ford's second-quarter profits because of write-downs in the value of loans made to Budget and the value of the non-voting shares.

However, Ford said this would be offset by a $650m after-tax gain realised through the recent initial public offering of 19.3 per cent of Associates First Capital Corporation, a consumer finance company that Ford owned.

US car manufacturers acquired ownership stakes in car rental companies as a means of securing buyers for their products.

But recently they have sought to quit the industry because severe competition has made it difficult for companies to turn in a profit.

Ford already owns Hertz, the market leader, having taken a stake in 1987 and acquired full ownership in 1994. Yesterday Ford said Hertz had made after-tax profits of $105m last year.

In contrast, Budget is understood to have made heavy losses. But last year Ford appointed new managers to the company and hopes to see it return to profit this year.

Mr David McCammon, Ford's vice president for finance, said: "The car rental business can continue to be a good one for Ford. Hertz has posted record profits in each of the last three years and is clearly the industry leader.

"The steps we're taking today will allow Budget to realise its full potential."

NEWS DIGEST

Gold Fields posts 19% rise to R356m

Gold Fields of South Africa yesterday posted a 19 per cent increase in after-tax profit to R356m ($82.2m) for the quarter to June, from R298m in the previous period, as the weaker rand brought further respite to the country's most troubled gold mining group.

Analysts said the results, the first of this month's quarterly reporting season, were at the upper end of expectations although lower yields caused a fall in overall gold production to 23,021kg (24,005kg).

Mr Alun Munro, executive director, described the group's performance as "fairly positive overall" and quashed speculation that Gold Fields was a likely target for takeover by Gencor, the minerals and metals group. "We are not talking to anybody, and there is nothing in the pipeline that we are aware of."

The group would break even this year if rand bullion prices held at R50,000 a kg, Mr Munro said. "By R57,000, we will be well into positive cash flow and paying for capex," said Mr Munro.

Mark Ashurst, Johannesburg

Guangdong Kelon plans issue

Guangdong Kelon Electrical Holdings, one of China's biggest refrigerator makers, is to raise some Yn820m when it comes to the Hong Kong market later this month, according to estimates by Citicorp International, co-sponsor and lead manager of the deal.

Kelon is the latest H-share issue, or Hong Kong listed China company, to come to the market. It follows Guangshen Railway, whose issue in May netted about HK$3.42bn (US$442m) and was heavily oversubscribed, but comes at a time when sentiment on H-shares is more subdued.

According to Kelon's listing prospectus, it expects net profits of at least Yn428m in the year to December. It is issuing 201.35m shares, or around 25 per cent of the enlarged share capital, with an option to issue a further 20.135m shares in case of excess demand. While the pricing range has not yet been announced, the price is expected to be in the range of HK$3.95.

The bulk of the shares – 85 per cent – will be placed with institutional investors and the remainder offered in Hong Kong. The initial public offer opens on Monday and closes on Thursday, with trading scheduled to start on July 23. China Development Finance Company is co-sponsoring the deal.

Louise Lucas, Hong Kong

Mayne Nickless cancels sale

Mayne Nickless will not proceed with a trade sale of its 24.9 per cent stake in Optus Communications, Australia's second largest telecommunications carrier. The stake, worth around A$1bn (US$798m), will now form part of the Optus flotation planned for later this year.

Industry observers were not surprised by yesterday's announcement. Mayne Nickless had made a commitment not to sell the stake to any buyer not meeting the approval of the other shareholders; these include two foreign telecommunications companies, BellSouth, of the US, and Cable & Wireless, of the UK, each holding 24.5 per cent, and a number of Australian institutions. Mayne Nickless said yesterday that, after discussions with the other shareholders, it had been unable to find an acceptable candidate.

The company announced in May that it was planning to sell the stake and concentrate on its core businesses of logistics, express freight and healthcare. It set a deadline of the end of June for expressions of interest from trade buyers.

The four companies which registered an interest are believed to be British Telecommunications Telecom New Zealand, a Malaysian telecoms company, and the Seven Network, an Australian television company.

Bethan Hutton, Sydney

Quebecor buys 68% of Altair

Quebecor Printing, North America's second-biggest commercial printer, is expanding again in Europe by buying 68 per cent of Altair, a Spanish magazine and advertising materials printer. The price was not disclosed. The seller was Empresarial ONCE, which will hold the minority shares. Quebecor Printing, part of the Quebecor publishing group controlled by the Peladeau family, already has major operations in the UK and France. It plans further European acquisitions.

Robert Gibbens, Montreal

Lower metal prices hit Alcan

Alcan Aluminium posted a 38 per cent drop in second-quarter earnings because of lower metal prices, but expects improvement late this year.

Net income was US$112m, or 47 cents a share, down from US$180m, or 77 cents, a year earlier, on revenues of US$1.96bn, down 19 per cent from US$2.43bn. Most analysts had expected earnings of about 55 cents a share. Mr Jacques Bougie, president, said recent problems in world copper markets had an adverse effect on aluminium and other non-ferrous metals.

First-half net profit was US$237m, or US$1 a share, down 33 per cent from US$354m, or US$1.52, a year earlier, on revenues of US$3.96bn, down 18 per cent from US$4.83bn.

Robert Gibbens

CIBC Wood Gundy acquisition

CIBC Wood Gundy, the Canadian bank, is to buy a London-based specialist in the trading of oil and natural gas assets as part of an international expansion of its natural resources interests.

Lovegrove & Associates was set up by Mr Martin Lovegrove in 1992 to help companies buy and sell oil and gas properties. It has since been involved in more than 50 projects with a combined value of $5.5bn.

Last May, CIBC Wood Gundy bought the London-based mining team of brokers James Capel as part of its international expansion.

Lovegrove & Associates has been particularly active in the North Sea. It is currently advising on the sale of Sun Oil Britain. It is also handling the sale of British Petroleum's MAST fields, a group of older North Sea fields.

Robert Corzine, London

New chairman for Air Canada

Mr John Fraser, 66, a well-known Canadian businessman from Winnipeg, will become non-executive chairman of Air Canada when Mr Hollis Harris retires on August 1.

Mr Fraser has been a director of Canada's biggest airline for nearly seven years, serving on the board's strategic planning committee. He is also a director of America West Airlines in the US and of the Bank of Montreal and Shell Canada.

During the 1980s Mr Fraser headed the former Federal Industries, a fast growing conglomerate hit badly in the last recession. He retired from that board in 1995.

He said he would not take part in the daily operations of the airline, leaving that to Mr Lamar Durrett, president and chief executive. Air Canada must improve its financial results and continue its expansion in the US, European and Asian markets, he added.

Robert Gibbens

PAL speeds up aircraft leasing

Philippine Airlines (PAL), the lossmaking national flag carrier, said yesterday it would speed up its $3.2bn fleet modernisation programme to help restore the carrier to profitability. In advance of the 36 Airbus and Boeing jets it plans to purchase over the next three years, PAL would step up its interim leasing programme from other airlines.

The aircraft, most of which would be "wet-leased" (loaned together with pilots and crew), would help PAL improve its Asian and Middle Eastern flight schedules.

The airline, which lost 2.01bn pesos ($76.8m) in the year to last March, plans to double its capitalisation to 10bn pesos later this year.

Edward Luce, Manila

Matif and DTB consider extending link

By Andrew Jack in Paris

The French and German derivatives exchanges are renewing discussions about the development of a common clearing system for their products, after abandoning more wide-ranging co-operation plans earlier this year.

Matif in Paris and the Deutsche Börse in Frankfurt, which includes the DTB derivatives exchange, are considering an extension to their link, by which German products are traded electronically in France.

In a speech yesterday to a conference organised by the development and lobbying group Paris Europlace, Mr Jörg Franke, a director of the Deutsche Börse, said: "I think a common clearing system should be developed."

His comments came in the context of a talk on European monetary union, which he said would lead to greater globalisation of financial markets. He suggested the possibility of a European trading platform, uniform monitoring standards and accounting rules, and the harmonisation of clearing and settlement systems.

Mr Franke did not mention specific projects in conjunction with France, and argued that the systems could be harmonised "without this necessarily having to result in a single institution". However, a senior Matif executive confirmed yesterday that a common clearing system was one of several subjects being discussed with his German counterparts.

The developments come after the bodies governing the French and German financial markets announced in April that they were abandoning ambitious plans to form a joint platform for both derivatives and equities products between the two countries.

The institutions stressed at the time that they were continuing to talk about other forms of co-operation, but have since been quiet. Further decisions and announcements are expected in the autumn.

Earlier discussions between Matif and the DTB – which led to the German trading link in Paris – were broadened after the DTB merged with the Frankfurt stock exchange last year.

The Paris stock exchange then offered to provide its NSC equities computer system to Frankfurt as part of a wider co-operation. But the Germans decided instead to appoint Andersen Consulting to develop their new system.

Mr Franke said that to reduce costs and improve risk management, there was a need to bring together different "market segments" including the cash and derivatives markets, which would "ideally" be integrated into a European trading platform.

He also warned of the need for improved monitoring.

Mannesmann builds up for telecoms race

The group is the leading competitor to Deutsche Telekom, writes **Michael Lindemann**

The speculation this week about who might win a stake in DBKom, Deutsche Bahn's telecoms network, made two things abundantly clear.

First, Mannesmann, the Düsseldorf-based conglomerate that does everything from trading bathroom tiles to making the best-selling Leopard II battle tank, has been richly rewarded for being the first leading German company to move into telecoms, back in 1990.

By winning the 49.8 per cent stake in DBKom, the group has underlined its position as the leading private-sector competitor to Deutsche Telekom, the state-owned monopolist.

Mannesmann is now also in a position to use its weight as several of Germany's leading companies, including RWE, Veba, Viag and Thyssen, jostle for starting positions in the race to compete with Deutsche Telekom. Industry executives and analysts believe it is increasingly likely that the four private-sector telecoms consortia will fold into two larger groupings, one likely to feature Mannesmann, the other, RWE.

Second, the DBKom deal seems to have established how important it is to have a telecoms network which is independent of that operated by Deutsche Telekom.

As it happens, Mannesmann executives have spent much of the past 18 months talking down the value of network capacity. There was the railway network, they said, the networks owned by the electricity utilities, even those that ran alongside Germany's inland waterways. Ultimately, after liberalisation in 1998, there would be so much excess capacity that space on the networks would be traded "like a commodity".

But as the DBKom deadline edged closer it seems that Mannesmann rapidly changed its mind. Mr Joachim Funk, who heads the Mannesmann group, including the telecoms business, pulled out all the stops to persuade Deutsche Bahn that Mannesmann was the best partner for DBKom, DB's network subsidiary.

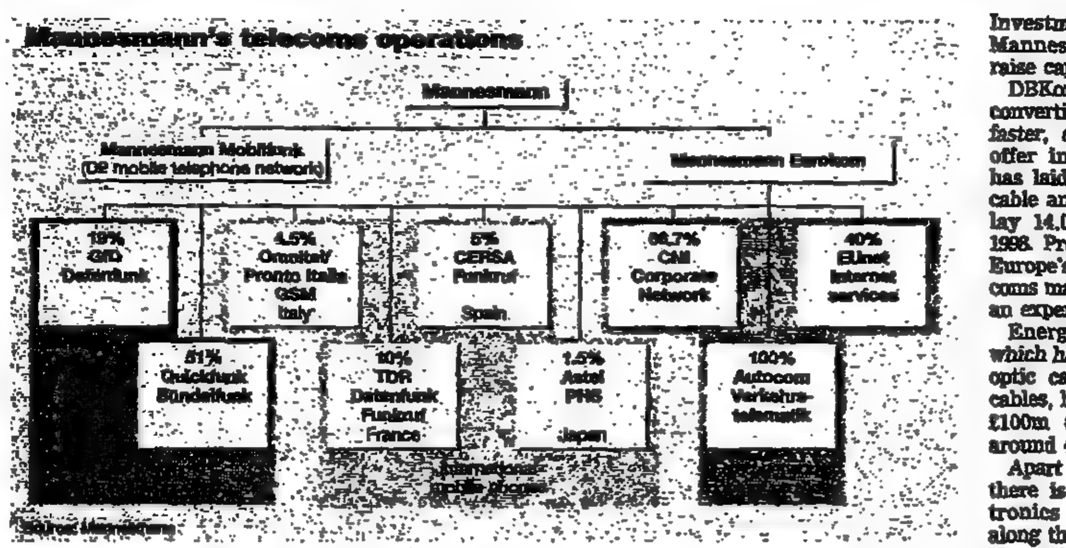
"What Mannesmann realised was that there are not too many assets like that out there so you have to have it," said Mr Chris McFadden, a telecoms analyst at Merrill Lynch, the US investment bank which advised Mannesmann.

But Mannesmann – and other executives close to the talks – were yesterday revealing little about the details of the new joint venture, many of which still have to be finalised.

A final price appears not to have been settled, nor has the thorny question of pension rights for DBKom's 6,500 employees, many of whom are civil servants with jobs-for-life guarantees.

While DB would retain a majority stake – because the civil servants could not, under German law, be transferred to a private company – Mannesmann is likely to have management control, given that it is supplying the expertise.

Having established that, Mannesmann needs to work out how much it will cost to upgrade DBKom's 40,000km slow-speed, analogue network.



Source: Mannesmann

Investment bankers suspect Mannesmann may have to raise capital for the task.

DBKom has already started converting the network into a faster, digital one which can offer interactive services. It has laid 4,000km of fibre-optic cable and has said it wants to lay 14,000km by the end of 1998. Precedents from the UK, Europe's most liberalised telecoms market, suggest it will be an expensive operation.

Energis, the UK company which has been wrapping fibre-optic cable around electricity cables, has had to spend about £100m ($155m) to put fibre around 4,000km of cable.

Apart from the fibre-optics, there is the cost of the electronics needed to transmit along the fibre and switches to direct the traffic. It is unclear whether it will be more costly to wrap fibre around electricity cables or to lay it along DB's existing network, but one London-based telecoms analyst suggests the operation may cost DM1.3bn ($853m).

Ironically, analysts point out, Mannesmann executives may yet be proved right about "commodity" prices for transmission capacity. The group should end up with a network to rival that operated by Deutsche Telekom – but this may in turn force down the cost of transmitting telecoms services and make it harder for Mannesmann to recoup its investment.

Parmalat prices cash call to raise L370.3bn

By Andrew Hill in Milan

Parmalat's rights issue will raise L370.3bn ($241m), the Italian dairy products group announced yesterday.

Having announced the outline of the capital increase in May, the company yesterday priced the issue at L1,500 a share, a discount to the closing price of L2,093, and said it would offer one new share for every five already held. The pricing range was set between L1,250 and L1,600.

The proceeds of the issue – plus L95bn from the early conversion of warrants – are expected to be used for debt reduction and to fund further expansion in South America and eastern Europe.

Parmalat has pursued an aggressive expansion strategy in recent years, making acquisitions in South America, which last year contributed 38 per cent of the group's L4,290bn turnover, and investing heavily in marketing its milk products in North America.

In the process, debt had risen by the end of last year to L1,553bn – more than 70 per cent of net equity.

The rights issue should enable Parmalat, which is quoted in Milan but controlled by the founding family, to reduce this gearing ratio to below 40 per cent.

One analyst said yesterday that Parmalat's growth prospects and margins were sufficient to allow gearing to rise to above 50 per cent without provoking too much concern.

"Provided the debt-equity ratio remains in a certain range, I don't think the market has a problem. In the past, there was a problem because they were acquiring too much and too quickly," he said.

The recent issue of L500bn of five-year floating rate notes on the eurobond market will be used to replace short-term bank loans, helping to keep financial charges down.

UBS, the Swiss bank which is co-ordinating the issue, said it expected most of the shares to be taken up by existing shareholders. "We're not expecting to see a lot of trading in the rights," said Mr Massimo Armanini of UBS.

In 1995, Parmalat increased net profit by a third from L102bn to L136bn, although that included extraordinary profits of L15bn, mostly relating to the sale of soccer players by Parma's Serie A club, which is a subsidiary of the group.

US biotech company sets up Swiss unit

By Clive Cookson,
Science Editor

CytoTherapeutics, a US biotechnology company, has set up a subsidiary in Lausanne, Switzerland, which it says is the first Swiss biotech company backed by venture capital on the US model.

The company, Modex Therapeutiques, is owned 50 per cent by CytoTherapeutics, 35 per cent by its four scientific founders and 15 per cent by investors through Lombard Olivier, a private Swiss bank. Total start-up funding is $5m.

Modex will exploit technologies developed by three universities in Lausanne, one in New York and CytoTherapeutics itself. Its first targets are anaemia, diabetes and obesity.

The company's "encapsulated cell" approach uses small devices that contain living cells.

When implanted in patients, these cells secrete therapeutic proteins to treat chronic disease. CytoTherapeutics uses a similar method to treat disorders of the brain and nervous system.

Mr John Swen, vice-president of development and licensing at CytoTherapeutics – and a director of Modex – said the stake held by CytoTherapeutics in Modex could go up or down as the companies grew, depending on their funding resources and requirements.

"The stake could be diluted as other investors come in, or Modex could become a wholly owned subsidiary of CytoTherapeutics," he said.

Dr Patrick Aebischer, Modex chairman, said there were many reasons – cultural, legal and financial – why entrepreneurial biotech companies had not previously been formed in Switzerland.

But that would change, he said, as more young Swiss scientists returned from postdoctoral training in the US and realised that the three big pharmaceutical groups in Basle (Roche, Sandoz and Ciba) no longer provided a lifetime's employment in research.

Dr Max Wilhelm, former director of R&D at Ciba, will be chief executive of Modex.

He expects Modex to be the first of many biotech ventures in Switzerland – some supported by a SFr100m ($79.2m) fund that Novartis, the new conglomerate formed through the merger of Sandoz and Ciba, will set up to invest in ventures started by its former employees.

Brokers aim to tap Spain's potential

By Tom Burns in Madrid

When Merrill Lynch gave a party earlier this week in Madrid to mark its February purchase of FG, Spain's biggest independent broking firm, the assembled guests, drawn from the top tier of the domestic financial community, swapped gossip about which could be the next local firm to be swallowed up by a big Wall Street or European house.

The talk was understandable. In June, the Dutch merchant bank Mees Pierson, a subsidiary of ABN Amro, bought a 30 per cent stake in Beta Capital, a smaller Madrid broker, and last week Schroders, the UK merchant bank, acquired the Spanish unit of Carnegie International.

Views are varied about the shape of the next takeover, but there is a consensus about why there is a sudden interest among global houses in having a strong presence in Spain.

The election of a new centre-right government last March and the subsequent launch by the ruling Popular party of a wide-ranging privatisation programme has served to focus minds. The government is planning to sell-off shareholdings worth and estimated Pta3,000bn ($23bn) over the next four years.

The disposals alone do not merit the reported £18.5m ($28m) that Merrill Lynch paid for FG. Mr Claudio Aguirre, chief executive of the US bank in Spain, says Spain's privatisation is comparatively small when set against planned sell-offs in France, Germany and Italy.

The big financial houses are more interested in a government blueprint for a package of fiscal measures that could profoundly alter the pattern of savings in Spain and the domestic capital markets. The measures seek to encourage pension funds, to channel savings into equities and through capital gains rebates, to prod family-owned companies on to the stock market.

Currently, fund investment in Spain is heavily weighted towards fixed income, for only about 5 per cent of savings under management is routed towards the stock market. Analysts believe that sooner rather than later, as interest rates fall and government borrowing requirements are lowered, equity positions will account for some 35 per cent of domestic savings, in line with the fund investment strategies in continental Europe.

The upbeat scenario is not lost on the foreign houses. "With Carnegie España on board we will be working hard at block trading business on the secondary market as well as competing for the privatisation business," says Mr Javier Salaverri, chief executive of Schroders' Spanish subsidiary.

At Merrill Lynch, Mr Aguirre's target is to double the turnover of the US bank in Spain to Pta300bn by 2000. Mr Aguirre points out that Madrid's Bolsa has considerable room to grow, for at present it lists less than 100 of the top 500 domestic companies.

The Bolsa's growth potential was sharply highlighted at the beginning of this month when a rights issue by the big hotel management chain Sol Meliá, which floated 42 per cent of the family-owned business', was 23 times oversubscribed with total orders reaching Pta814bn.

"Sol Meliá showed the way ahead," says Mr Luis Iturbe, managing director of BBV Interactivos, the broking arm of the big domestic banking group Banco Bilbao Vizcaya. "A lot of family businesses are going to start thinking about raising fresh capital on the Bolsa."

The expected growth of the Spanish market will probably compensate big Bolsa houses like BBV Interactivos for the business share that will be gained by the foreign houses. But should the Madrid gossip be borne out by a new spate of foreign acquisitions, the competition for the Spanish cake will become cut-throat.

Roche and Abbott seek Aids drugs go-ahead

By Daniel Green in Vancouver

Roche, the Swiss drugs company, and its US rival Abbott Laboratories plan to ask for approval of a new Aids treatment early next year, after publication yesterday of some of the most promising trials results released at this week's international Aids conference in Vancouver.

If successful, the two companies could extend their collaboration in research into sales and marketing, said Dr Andre Pernet, Abbott's vice-president of pharmaceuticals products R&D. Such an alliance would provide powerful competition for other Aids drug suppliers, especially Glaxo Wellcome of the UK.

The Roche/Abbott trial combines two of the newest drugs on the market, Roche's Invirase and Abbott's Norvir. The drugs, called protease inhibitors, have in the past only been combined with an older class of drugs, reverse transcriptase inhibitors, which include Glaxo's AZT.

After six weeks of the 48-week trial, the new combination looks as powerful as those involving AZT-like drugs. The AZT-based drug cocktails excited researchers at the conference by cutting the levels of HIV in the blood to below detectable levels in most patients.

Dr Martin Markowitz, of Aids Laboratory at the Aaron Diamond Institute in New York, said the new combination could be especially useful for people who had built up resistance to AZT-like drugs.

Dr William Cameron, of the Ottawa General Hospital, said the immune systems of patients using the drug were also recovering and should continue to do so as the trial progressed. This combination appeared to generate fewer side effects than some others.

The cost of the two drugs at the doses being tested is about $10,000 a year, against the $10,000-$15,000 usually cited for three-drug therapies that include AZT-like drugs.

Even if the combination is not be approved by regulators, the drugs are available separately and doctors could prescribe them together.

Separately, Merck and Glaxo released the latest results of their trials of Crixivan with AZT and 3TC, another Glaxo drug in the AZT class.

Six of seven patients who have completed 48 weeks on the trial still have HIV levels below detectable levels. HIV could be detected in all eight people taking only AZT and 3TC for the same period. The first group also has 15 times the level of immune system cells than the second group.

However, significant numbers of patients dropped out because of side effects.

NEWS DIGEST

Kirch, Ruperts may lift Telepiù stakes

Kirch, the German media company, and the Rupert family of South Africa are in negotiations to increase their holdings in Telepiù, the private Italian pay-television company. The talks follow a preliminary agreement between Kirch and Renato Della Valle, an Italian entrepreneur, under which Kirch would buy back Mr Della Valle's 23.4 per cent stake in Telepiù. Telepiù said the stake would then be split to leave Kirch and the Rupert family each with about 45 per cent.

At the moment Kirch, through its subsidiary PTB Pay-TV, holds 33.6 per cent of Telepiù, and the Rupert family 32.5 per cent through Compagnie Internationale des Telecommunications. A further 10 per cent belongs to Fininvest, the private holding company of Mr Silvio Berlusconi, who founded the network. Mediaset, the media arm of Fininvest, has an option on the 10 per cent stake.

Kirch refused to comment on the negotiations yesterday, except to say the group would not reduce its stake in Telepiù. The Italian broadcasting regulator is already investigating Telepiù's shareholder structure, after allegations, denied by Fininvest, that Mr Berlusconi retained control over the network after selling his shares.

Andrew Hill, Milan and Wolfgang Münchau, Frankfurt

Scaglia to head Omnitel

The board of Omnitel Pronto Italia, the Italian mobile phone company, yesterday named Mr Silvio Scaglia, director-general, as the new chief executive, and appointed his predecessor, Mr Francesco Caio, as executive deputy chairman. Mr Caio was named last week as new chief executive of Olivetti, the computer group which is Omnitel's largest shareholder. Omnitel said Mr Caio's duties would include co-ordinating Omnitel's development strategy with other shareholders, headed by Airtouch and Bell Atlantic, the US telecoms companies.

Omnitel began commercial operations last year and now has 300,000 clients for its GSM digital service, in direct competition with state-controlled Telecom Italia Mobile. Mr Scaglia, 37, joined Omnitel last year from Piaggio, the scooter manufacturer.

Andrew Hill

Nasdaq gets first German listing

Qiagen, a small biotechnology specialist, has become the first German company to be listed on the Nasdaq, the US computerised stock exchange. Founded in 1985, it employs nearly 400 people and expects sales of about $50m this year. It raised a net $31m through its Nasdaq issue at the end of June. The shares were issued at $12 and have risen above $15, giving Qiagen a market value of $250m.

It specialises in the separation and purification of nucleic acids (RNA and DNA), the large molecules that store and transfer genetic material. About 60 per cent of sales are in the US and 30 per cent in Europe. Net profits rose 85 per cent last year to $2.4m, with sales up 54 per cent to $37m.

Andrew Fisher, Düsseldorf

Ballast Nedam slips in first half

Ballast Nedam, the Dutch construction group formerly owned by British Aerospace, suffered an 18 per cent fall in net profits to Fl 32m ($18.7m) for the first half to June, although revenues rose 18 per cent to Fl 1.5bn. The Amsterdam-listed company, now 48 per cent owned by Hochtief of Germany, said a severe winter had delayed the start of projects, and it expected full-year earnings to approach the Fl 92.1m achieved in 1995. Turnover at its British construction division had been boosted by Wiltshier – taken over last year – which had not yet contributed to profits. The order book totalled Fl 4.1bn, against Fl 2.7bn at the end of 1995. Earnings per share fell from Fl 3.90 to Fl 3.34.

Gordon Cramb, Amsterdam

Ursus in deal with 700 creditors

Poland's ailing Ursus tractor plant yesterday won a new lease of life when more than 700 creditors, including the state treasury, agreed to a combined debt swap and write-down deal worth 697m zlotys ($255m). This is the largest Poland's debt-ridden state-owned industrial sector has seen so far. The plant, which was modernised 10 years ago, exports to the US and sells under the Ursus brand in other markets, such as South Africa. It makes 25 per cent of sales in Poland.

Christopher Bobinski, Warsaw

■ Bouygues, the French construction group, is selling its 100 per cent stake in road builder Screg, held through its CFTR unit, to Colas for FFr1.4bn ($237m). Bouygues, through CFTR, has a 59 per cent stake in Colas.

Kvaerner to drop the Trafalgar name

By Andrew Taylor and Tim Burt

The Trafalgar House name, adopted by Sir Nigel Broackes when he founded the construction, engineering and shipping group in 1956, is to disappear following the company's £904m ($1.4bn) purchase by Kvaerner, the Norwegian engineering and shipbuilding group.

Details of Kvaerner's plans to merge the two businesses, including moving the majority of its head office functions from Oslo to London, were announced yesterday.

The Norwegian engineering and shipbuilding group is dropping the name Trafalgar from six core operating divisions to be established after a 100-day review of the merged operations.

Mr Erik Tonseth, chief executive, said the executive vice-presidents in charge of each division – three Britons, one Swede and two Norwegians – would operate from a new headquarters building in London's West End, previously occupied by Inchcape.

Mr Tonseth predicted that the 400 headquarters staff currently employed by Trafalgar and Kvaerner would be reduced by about half, with most of the administrative functions moving to London. Oslo-based staff, however, are likely to be offered jobs elsewhere in the group in Norway.

The company's board will be run on continental European lines – comprising seven non-executive directors, all Norwegian, with Mr Tonseth representing the operating management. He said the composition of the board was expected to become more international, reflecting the changing nature of the business and its shareholders. Some 40 per cent of the shares are held outside Norway.

A further change for Trafalgar would be that the group's results would be published quarterly, with their first contribution expected to be announced next month, together with Kvaerner's first-half figures.

Three former Trafalgar House managers are joining the new Kvaerner management team.

Mr David Moorhouse will continue to run the John Brown engineering arm, to be renamed Kvaerner John Brown; while Mr Mike Foster – managing director of the Davy metals processing business – will run Kvaerner Davy.

Trafalgar's general construction subsidiary will be called Kvaerner Construction and will retain Mr Keith Clarke as executive vice-president.

Mr Diderik Schnitler will remain as head of Kvaerner's shipbuilding interests; Mr Tore Bergesen will head the oil and gas business; and Mr Roland Martin-Löf from Sweden will run the pulping equipment division.

Mr Peter Ward, chairman of Cunard, the luxury cruise line, will continue to oversee that business from New York. Mr Tonseth again confirmed it was a non-core business for the long-term, but ruled out an imminent sale.

Tuckey bows out of ING Barings

By John Gapper, Banking Editor

Mr Andrew Tuckey, the former deputy chairman of Barings who has worked at ING Barings as a consultant since the collapse of the merchant banking group last year, is to leave at the end of this month.

Mr Tuckey is the last to depart of the 12 former directors of Barings criticised in a Board of Banking Supervision inquiry into Barings' collapse.

He was asked to stay on as a corporate finance adviser by ING Group when it took over.

Mr Tuckey, who formerly headed Baring Brothers, the merchant banking arm of Barings, is taking a break of at least two months.

He is thought to have been offered jobs as a corporate financier by other investment banks.

Although Mr Tuckey was not disciplined by the Securities and Futures Authority for his role in the collapse of Barings, he has undertaken not to seek work in a senior management position in the City for an unspecified period.

Mr Tuckey, 52, retired from ING Barings in March and agreed to work as a consultant. He was lead adviser to Lloyds Bank in its merger with TSB Group but has become less involved since then.

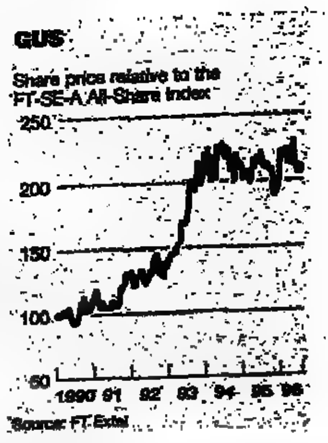
One director said Mr Tuckey's continued presence had become awkward, although it had been an agreed decision that he should leave.

"People had said to us they were surprised that the relationship had been maintained," he said.

Mr Hessel Lindenbergh, chairman of ING Barings, said that the bank was grateful for Mr Tuckey's "valuable contribution to the business" since the collapse and wished him well. Mr Tuckey declined to comment.

LEX COMMENT

GUS



Source: FT Extel

A profit warning in May, followed in July with results bad enough to prompt a further 5 per cent drop in the share price, is not what one expects from supposedly trusty Great Universal Stores. For Lord (David) Wolfson, about to take over from his cousin as chairman, reversing this depressing trend will be a formidable challenge. He will have to start with the group's core, its struggling mail order business. Of course, the new Lord Wolfson has a sparkling record at Next. But it will not be easy to work the same magic at GUS. Already well-run, its problems are more fundamental: agency business, on which it is over-dependent, is in long-term decline. And it lacks the strong brands needed to succeed in more upmarket direct mail, where growth prospects are healthier. Nonetheless, this could be remedied.

A joint venture with Next, where Lord Wolfson is to remain chairman, is one oft-mooted possibility. In theory at least, a tie-up with a high street chain such as Marks and Spencer could be another.

But Lord Wolfson should not stop there. He also needs to take a hatchet to the company's bizarre range of businesses, which include Burberrys and Scotch House, not to mention a large South African furniture retailer. These would almost certainly attract healthy premiums if sold. Meanwhile the company is sitting on an absurd £1.1bn cash pile: this should either be put to good use or handed back to the company's shareholders.

Of course, such radicalism cannot be relied on. But given the scale of the possibilities, at the current depressed price the shares look a pretty attractive punt.

GUS disappoints

By Christopher Brown-Humes

Great Universal Stores achieved its 48th consecutive year of higher profits for the 12 months to March 31, but saw its shares fall 5.2 per cent yesterday after a weak mail order performance and a slow start to the current year.

Analysts said the UK mail order market – which the group leads with a 36 per cent share – was suffering from overcapacity and flat demand.

Pre-tax profits rose from £562.8m to £581.1m ($900m). Although the group gave a profits warning two months ago – predicting £578m to £581m – analysts said underlying performance was still below expectations.

The shares fell 35p to 687p.

The group said pre-tax profits in the first two months of this year were flat – seen as disappointing given more buoyant statements from some high street retailers.

There was also disappointment the dividend was not more generous.

ABN Amro Hoare Govett cut its forecast for current year profits from £623m to £600m, excluding £17m of expected VAT refunds. Last year's profits included a £10.3m VAT refund.

£300m will pass to Isosceles but some creditors will get nothing

Somerfield to float at 180p-190p

By David Blackwell

Somerfield, the UK's fifth biggest supermarket chain, has set an indicative price range of 180p to 190p a share for its flotation, valuing the company at £540m-£570m ($842m-$889m).

The prospectus, published yesterday, also showed that pro forma pre-tax profits were £81.7m for the year to April 27. After a 23 per cent tax charge, earnings emerged at 22.3p, giving a historic p/e of 8.1-8.5.

Somerfield Holdings, the holding company, is selling all its 300m shares. In a complex series of transactions, it will pass at least £300m, excluding costs, through the ring fence to Isosceles, the former owner that acquired the chain when it was known as Gateway in a disastrous £2.1bn leveraged buy-out in 1989.

Isosceles will then be able to pay off its senior bank debt. A further £30m to £40m of the proceeds will cover costs, including indemnity fees, which Somerfield Holdings will pay.

Some Isosceles creditors – mostly the same banks that hold the senior debt, but also other shareholders and bondholders – will get nothing.

The new Somerfield plc, which will incur flotation costs of £2.75m, will be left with net debt of £135m if the issue is got away at the bottom price. Pro forma interest cover is 7 times and gearing 50 per cent.

Somerfield Holdings will cease to exist, finally cutting the link between the supermarket chain and its history.

Mr David Simons, the chief executive who has steered the group into calmer waters since the turmoil of its ownership by Isosceles, believes the turnround is only part-way to completion. "The group has potential for short, medium and long-term growth," he said yesterday.

Once flotation is completed, Mr Simons will qualify for a £5m bonus. But in order to stave off concerns that he will leave, he will be investing £2m of the bonus in the new shares. He and his management team have been tied to the group by means of an extensive incentive scheme.

The prospectus shows that the six-man team – currently paid between £125,000 and £315,000 – will be granted share options equivalent to four times salary and exercisable in another three years.


Trevor Humphries
David Simons (right) watched by Martin Gatto, finance director

Christie's lifts sales by 6%

By Antony Thorncroft

Christie's International, the auction house, recorded sales of £486m ($739m) in the first half of this year, a 6 per cent gain in sterling terms and 2 per cent in dollars.

The European market proved slightly stronger than the American.

Lord Hindlip, chairman, reported "a general strengthening of the art market and underlying growth in most major categories.

This has been underpinned by the emergence of new buyers around the world and strong demand from established clients."

The figures are slightly better than anticipated.

Christie's had attracted some important American properties in the first half of 1995, notably the Harriman and Colin collections, and was doubtful whether it would match this turnover.

In the event it recorded its highest first half sales since 1990, when the total was £700m.

In the autumn of that year the art market started to collapse and by the first half of 1991 sales had slumped to £286m.

Pepe in Dutch move

By Clay Harris

Pepe Group, the jeans company which led a brief British challenge to the denim dominance of Levi's and Wrangler in the late 1980s, is transferring its European design and marketing headquarters from the UK to the Netherlands.

Mr Fred Gehring, Pepe's European chief executive, said yesterday that the move – which will involve 25 British designers relocating to central Amsterdam – reflected northern Europe's growing importance as well as its increasing divergence in style and fashion terms from the UK market.

Mr Gehring said Pepe's designers needed "a daily confrontation with the realities" of the continental market. Consumers in Germany and the Benelux countries, moreover, were willing to pay more in return for quality.

Northern Europe now accounts for 40 per cent of Pepe's sales, against only 25 per cent in the UK and Ireland.

Pepe's worldwide headquarters will remain in London, as will a small design and marketing arm for strictly UK products. Madrid has a similar regional office. But all group-wide products would now be designed and marketed in Amsterdam, where the computer systems and sourcing would also be co-ordinated.

The Netherlands was chosen for having the most attractive tax regime in northern Europe, and undisclosed incentives had also been available. "We have been able to make arrangements that are attractive to the business," said Mr Gehring. Pepe's main European distribution hub is Tegelen in the Netherlands.

M&S's mood upbeat

By Jane Martinson

Marks and Spencer offered further evidence of confidence returning to the high street yesterday when Sir Richard Greenbury, chairman, spoke of clear signs that the consumer was "finally coming out of the trenches".

However, during an upbeat annual meeting, Sir Richard admitted that changes had had to be made in women's wear after it was found to be too "fashion-led".

UK sales had risen 8.6 per cent in the first quarter. International sales, including franchises, rose almost 12 per cent in spite of depressed economic conditions in continental Europe and difficulties in Canada, Sir Richard said.

The shares fell 3p to 484p however after rising in the past week as the market appeared to have expected even stronger news.

The retailer was involved in three legal battles during the year. Only its writ against Granada Television over allegations that it exploited child labour to boost profits and misled customers by incorrectly labelling the country of origin on products is still outstanding. Sir Richard said yesterday that M&S was "confident of pursuing the case vigorously".

He also emphasised the group's commitment to British suppliers, who accounted for nearly 80 per cent of goods, with another 10 per cent coming from continental Europe.

He warned that continuing success overseas "will depend to some extent on buying and selling internationally".

The group is still considering its replacement incentive for executive share options, as recommended by the review body chaired by Sir Richard.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Dividends				
								Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Adam & Harvey	Yr to Mar 31	50.98	[illegible]	[illegible]	(8.01)	53.8	(84.7)	13.5‡	Sept 5	13.5‡	24.5‡	22‡
Albrighton	Yr to Mar 31	7.99	(8.1)	0.478L	(1.39)	0.7L	(2.1)	nil	-	nil	nil	0.1
Barls Holdings ϕ	Yr to Feb 29	11.01	(9.95)	0.340	(4.17♠L)	1.8	(41L)	-	-	-	-	-
Caledonian Media	Yr to Mar 31	10.5	(2.2)	0.812♥L	(0.168L)	0.54L	(0.32L)	nil	-	nil	nil	nil
Cook (DC)	Yr to Apr 30	180.2	(159.3)	5.03	(4.14)	[illegible]	(6.63)	1.45	Oct 4	1.05	2.1	1.5
Colefax & Fowler	Yr to april 30	38.9	(38.1)	[illegible]	(1.83)	5.7	(4.8)	1.15	Oct 7	0.9	1.9	1.6
First Choice	6 mths to Apr 30	386.2	(314.8)	23.4L	(23.8L)	7.8L†	(11.8L)	1.4	Nov 1	1.4	-	[illegible]
GGT Group	Yr to Apr 30	360.3	(299.9)	5.55	(4.53)	14.14	(12.5)	3.7	Oct 31	[illegible]	5.8	5.3
Goode Durrant	Yr to Apr 30	104.9	(83.27)	21.3	(14.2)	26.4†	(18.4)	5.5	Sept 10	4.7	8.6	7.2
Great Universal Stores	Yr to Mar 31	2,758	(2,664)	581	(562.8)	[illegible]	(36.9)	11.5	Nov 22	10.5	16.5	15
Hampson Inds	Yr to Mar 31	105.8	(102.5)	4.89L	(5.86)	9.15L	(5.32)	1.7	Oct 1	1.05	2.25	2.2
Hay & Robertson	6 mths to Mar 31	2.57	(0.35)	0.259L	(0.052L)	1.7L†	(7.2L)	-	-	-	-	-
Helton Holdings ϕ	Yr to Apr 30	128	(118)	6.9	(4)	9.84	(5.09♠)	2.15	Oct 4	1.7	3.1	2.5
Norcity §	6 mths to Nov 1	0.069	(0.062)	0.028	(0.026)	1.9	(1.8)	-	-	-	-	-
Peel Holdings	Yr to Mar 31	76.2	(70.4)	12.6	(11.5)	[illegible]	(8.4)	4.5	Oct 3	3.8	8.5	8.8
Phonelink	Yr to Mar 31	4.36	(2.09)	6.71L	(3.7L)	17.3L	(10.4L)	-	-	-	-	-
Ransom (Wm)	Yr to Mar 31	9.9	(7.58)	0.98	(0.804♥)	4.49	(4.08)	1.529	Oct 1	[illegible]	2.296	2.089
Scottish Pride ϕ	Yr to Mar 30	137.9	(164.1)	4.17L	(0.73)	12.8L	(2.73)	-	-	-	-	-
Shani	6 mths to Apr 30	13.8	(10.9)	1.18	(1.07)	5.4	(5)	2.37	Sept 11	2.15	-	6.65
Specialeyes	24 wks to May 11	10.2	(9.52)	0.744L♠	(6.5♥)	2.64L†	(32.81)	-	-	-	-	0.75

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Aberforth Smaller	6 mths to June 30	257.3	(194)	24.1	(10.6)	43.64	(18.76)	2.25	Sept 6	2.1	5.1	5.1
Fleming Geared Inc	Yr to May 31	307.2	(286.2)	2.98	(2.69)	4.09	(4.11)	1.7	Sept 23	1.35	4.45¶	[illegible]
Kleinwort Charter	6 mths to May 31	327.9	(261.4)	2.63	(1.94)	3.25	(2.4)	1.75 ※	Aug 21	1.5	-	5.5
Trust of Property	6 mths to June 30	66.72	(72.49)	0.078	(0.069)	1.178	(1.053)	-	-	-	-	1.7403

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ♠After exceptional charge. ♥After exceptional credit. †On increased capital. ϕAim stock. §USM stock. ¶Includes 2p (0.9p) special dividend. ‡Foreign income dividend. ※Second interim of 3.5p, payable November 22, also declared. &Irish currency.

هكذا من الأصل

Dilbert's view

Tony Jackson on a new book about being managed

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For the past several weeks, the number two book on the New York Times bestseller list has been a work on management. It sits oddly between its upper and lower neighbours, the memoirs of a basketball player and yet another exposé of the O.J. Simpson trial. For while America turns out books on management in stunning profusion these days, they are rarely the stuff of popular culture.

Scott Adams's *The Dilbert Principle** is unusual in two respects. Adams is a professional humorist, whose Dilbert cartoons are syndicated in the American press. Also, management books are generally about managing. This one is about being managed; or rather, being re-engineered, downsized and generally messed about.

The success of the book is based largely on the quality of its jokes, but it also says a good deal about the mood of the American workforce. Adams is not one of your whimsical escapists; his view of office life leans rather to the grimly authentic.

He himself is the proud survivor of 17 years working in a cubicle for California's local phone company. Since his escape, he has been kept up to date by other inmates of corporate America, who send him bulletins on managerial folly over the Internet.

Decades ago, Adams reminds us, people believed in the Peter Principle, which stated that managers were promoted one step beyond the limit of their competence. Adams regards these days with fond nostalgia: a time when, as he puts it, "you had a boss who was once good at something".

Instead, he now proposes the Dilbert Principle. This says that the least effective workers get systematically moved to management as the place where they will do least harm. "Leadership", Adams says, "is nature's way of removing morons from the productive flow."

There is supporting evidence from his e-mail correspondents. One anonymous high-tech company, we are told, introduced two programmes simultaneously: one for "individual dignity enhancement", the other for random drug testing. In another company, an employee proposed the setting of priorities as a means of best-employing scarce resources. His manager's response: "Why can't we concentrate our resources across the board?"

Adams also points to the managerial habit of uttering absurdities and expecting to be believed. An obvious case is the corporate mission statement, which he briskly defines as "a long awkward sentence which demonstrates management's inability to think clearly".

He is more exercised by what he bluntly terms Great Lies of Management. Any experienced employee will recognise the kind of thing he means: "We reward risk-takers": "I have an open-door policy": "Employees are our most valuable asset".

Take the last of these, he says. Suppose your departmental head breaks his chair, and there is no money in the budget for a new one. Will he: 1) sit on the floor till the next budget cycle; 2) settle for a lower-status chair; 3) omit to fill the next departmental vacancy and buy a new chair from the savings?

Or take the statement "our future is bright". How likely is it that your boss can foretell the future? And if he can, why is he working for your company instead of making a fortune playing the stock market?

In Adams's cartoons, managers are drawn to the latest nostrum like moths to a candle. "I've decided to use humour in the workplace," the boss tells a group of workers. "Experts say humour eases tension, which is important in times when the workforce is being trimmed." "Knock knock." "Who's there?" "Not you any more."

There is a serious point behind all this. Conventional books on management often carry a hint of fraudulence. Their tone of simplified promise – *Eight Winning Strategies, Ten Vital Trends* and so forth – is too reminiscent of those popular magazines which offer five easy ways to a smaller belly or a better sex life.

As a general rule, people who can follow a simple slimming regime do not get fat in the first place. On the same principle, those managers whose companies stand in need of radical change may not be the best people to effect it.

Despite that, the restructuring of corporate America continues apace. This must be beneficial overall, and in some cases is spectacularly successful. Logic also suggests that Adams must be right, and that much of the time the bunglers are in charge.

Karl Marx might have seen this book and its reception as a protest against the iniquities of late 20th century capitalism. The reality is nothing of the sort: but it is good to see that the foot soldiers in America's corporate revolution, like Russians under the commissars, have not lost their sense of humour.

**HarperBusiness, $20.00.*

Talking about communication

It's good to talk. But while excellent internal communications can make a real difference to the performance of an organisation, putting an effective system in place is not so easy.

According to a study* of best practice by Lumina, management consultants specialising in building communications during times of corporate change, there may be numerous barriers to overcome if the right message is to get through to all employees.

These can include the need to protect confidentiality, countless hierarchical layers and a readiness to use technology rather than face-to-face contacts.

But Lumina's study of communications systems within 31 of the UK's biggest companies also highlights more worrying obstacles. These include the presence of corporate "fiefdoms" more interested in internal than external competition, lack of trust in management which prevents employees in high-achieving, "macho" companies from speaking out and poor personal communication skills.

Too many organisations simply appear not to attach sufficient importance to communicating, blaming lack of time. This attitude is reflected both in people's attitudes and in supporting mechanisms, such as an approach to appraisal and performance management which pays scant attention to communication skills.

Whatever the reasons for bad communications, the chief executive officer is picked out as the person who must play a critical role in getting things right, although he or she does not necessarily have to dedicate enormous amounts of time to the issue.

Active and visible involvement is vital. The chief executive should be ready to go on "walk-about" around his empire and must act as a role model in terms of openness and accessibility to people. "Lip service is not enough," the report insists.

**Communicating Companies. A study of Best Practice in Internal Communications. Lumina Consulting, Chequers Hill, Amersham, Bucks HP7 9DQ.*

Michael Cassell

Too much sodium in the diet raises blood pressure but too little is also dangerous, says **Carol Cooper**

Grains of truth about a pinch of salt

HEALTH CHECK

Sodium is essential to blood pressure regulation but excess dietary salt, according to a lecture I attended as a medical student, is dangerous. We struggled to keep awake and I recall thinking that proselytisers about salt and blood pressure were as exciting as the insipid diets they advocated.

That salt helps regulate blood pressure is beyond doubt, but does eating too much of it cause hypertension (high blood pressure)? To elucidate this, an independent, international study, Intersalt, looked at the salt – or, more exactly, the sodium – balance of more than 10,000 people in 32 countries.

The results, recently published in the British Medical Journal, support a strong link between excess salt and hypertension, and also suggest that a habitually high salt intake is one reason that blood pressure rises with age in most parts of the world.

Moreover, Intersalt data indicate that, if adults were to cut their salt intake by 50 per cent or more, their blood pressure would drop and they might have substantially less heart disease and fewer strokes.

Almost all the published evidence points the same way. In one study, the inhabitants of an entire Portuguese village reduced their salt consumption, lowering their blood pressures significantly when compared with another village. In adult patients with hypertension, small restrictions in salt can cause a worthwhile drop in blood pressure, similar to the effect of some blood pressure pills – but this does not work for everyone, and may do little for hypertensive patients under 45.

Conclusive proof is one thing that Intersalt and other studies do not provide. It has also been proposed that a high salt intake might worsen osteoporosis (brittle bones), and that it could aggravate or precipitate asthma – all this is speculative and to date salt has not been shown to be the bogeyman some people suggest.

In 1994 one of the groups advising the UK government's Committee on Medical Aspects of Food Policy recommended a reduction in daily salt intake from 9g to 6g. This never became official policy in Britain although other countries, such as the US and Scandinavia, have low-salt recommendations.

One snag is the difficulty of reducing salt in the diet. Many people eat far more than the average – anyone on 12g daily would find food very dull with much less. It can take a month or more to get used to the taste of low-salt food even after adding pepper, herbs, garlic or lemon juice to spice it up.

Then there is hidden salt. It is possible to avoid adding it at table, but about three-quarters of the salt in the western diet comes from processed foods.

Although there are now alternatives to salt as a preservative, we seem unable to do without it and other sodium-containing additives.

Bread and convenience foods are leading sources of salt in Britain – the average fish pie contains 1g of sodium per portion. Other flavourings that liven up the taste of prepared food are much more expensive, and with a few exceptions – Heinz, for instance, makes low-salt varieties of some foods – the food industry shows little enthusiasm for reducing salt content.

The Salt Institute in the US has tried to discredit some of the evidence by arguing that the latest Intersalt study was flawed in its analysis. This seems unlikely. But the Salt Institute is right in believing that the issue can only be firmly resolved by changing a population's salt intake and seeing what happens.

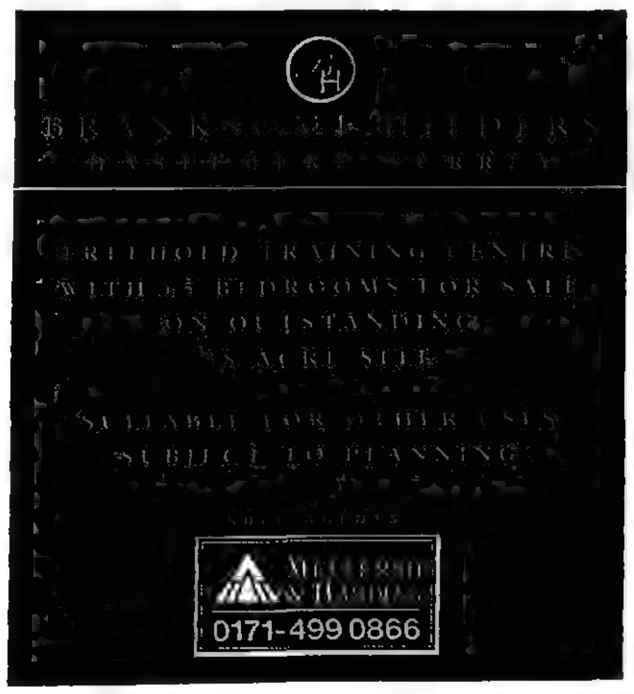
Salt may be important but it is not the only factor. Both weight and heavy drinking put up blood pressure. And it might be unwise to reduce salt too much during hot weather because some is lost in perspiration. Normally, replacement by dietary salt is easy because common foods contain so much. But anyone who loses their appetite in hot weather may suffer the effects of too little sodium – although the body acclimatises to hot weather by producing sweat with a lower salt content.

Anyone on a very low-salt diet should be aware of the symptoms of salt deficiency – lethargy, headache, giddiness and muscle cramps.

The author is a London GP.

Salt is important in regulating blood pressure but it is not the only factor

COMMERCIAL PROPERTY



LEGAL NOTICES

In the High Court of Justice No 002922 of 1996
Chancery Division
Companies Court

IN THE MATTER OF
SALAMANDER PROPERTY GROUP LTD
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 26 June 1996 confirming the cancellation of the Capital Redemption Reserve of the above-named Company was registered by the Registrar of Companies on 5 July 1996.

Dated this 8th day of July 1996
Lewis Silkin
Windsor House
50 Victoria Street
LONDON SW1H 0NW
Ref: TJW/EP/SA120.001
Tel: 0171 227 8000
Solicitors for the above-named Company

Record guilder issue on day of varied borrowing

By Samer Iskandar

The primary market was very active yesterday, with different types of issuers borrowing in a wide range of currencies.

Cades, the government agency set up to manage the French social security's accumulated deficits, issued the largest guilder-denominated bond to date. The lead manager, ABN Amro, will guarantee liquidity on the issue by maintaining a bid/offer spread of no more than 0.07 for trades of up to Fl 50m. The deal was mainly aimed at Dutch institutional investors, pension funds in particular, which are expected to buy about 70 per cent of the total amount.

The pricing, at a yield of 12 basis points over the interpolated curve of Dutch State Loans, was deemed "on the tight side". One banker said "it would have been easier to sell at [a spread] closer to 20 basis points". The proceeds were reportedly changed on the spot foreign exchange market into French francs, which means that Cades will carry the currency risk over the life of the bonds. "Once you add the currency risk to the price, the final cost to Cades becomes higher than what it can achieve in francs," said a French banker. "They [Cades] might be hoping that when the bonds mature, the final repayment will be made in Euros, which is likely to be cheaper" relative to French francs. Since the initial stages of its FFr140bn refinancing, Cades has been hinting that it would tap a wide range of markets and currencies.

INTERNATIONAL BONDS

Two kingdoms, Spain and Morocco, tapped the French market for FFr6bn and FFr1.5bn respectively. Priced at a yield spread of 10 basis points over the 10-year OAT, the Spanish issue proved hard to sell according to a majority of banks participating in the syndicate. One syndicate manager said the "spread was too tight by at least 5 to 7 basis points". The lead manager, Société Générale, admitted that the "paper is expensive", but felt confident the issue "will be placed, although it could take a while".

The Moroccan issue was more exotic. Caisse Française de Développement, a French government agency with a Triple-A credit rating, guarantees the principal amount as well as 65 per cent of interest payments; as a result the guarantee covers 90 per cent of all cash-flows on the issue. With a spread of 48 basis points over French OATs, the deal was targeted at "investors looking for a decent yield with limited risk", said Banque Paribas, the lead manager. Other bankers said demand was modest, and mainly from Switzerland and the Middle East.

Elsewhere, IBM made a return to the eurobond market after an absence of almost three years. CSFB lead managed the issue of $250m of 3-year bonds. The combination of "a household name" and a 6¾ per cent coupon aimed the deal at retail investors.

The Kingdom of Sweden also innovated, in the Lira sector, by issuing the first floating rate notes whose coupon is linked to the yield of six-month Italian Treasury bills. The deal was structured to take advantage of differences in interest rate volatilities. Favourable market conditions allowed the lead manager, Deutsche Morgan Grenfell, to offer investors a positive margin over the benchmark T-bills, while giving the borrower a sub-Libor all-in cost.

Elsewhere, the European Investment Bank added a small – Ecu150m – tranche to an existing issue maturing in 2001. The lead manager, Paribas, said the transaction was not motivated by any particular financing needs but aimed to take advantage of "a low-cost window of opportunity" owing to favourable swap conditions.

Demand for Ecu bonds has long been subdued because of uncertainty over the timing of European monetary union. However, selling yesterday's EIB issue was made easier by the "one for one clause": the EIB was the first non-sovereign borrower to guarantee that when monetary union takes place, it will repay its bonds in the euro - the future single European currency - at a parity of "one ecu equals one euro".

New international bond issues

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book-runner
US DOLLARS							
Dresdner Bank	300	6.50	99.996R	Aug 1998	0.125R	+5(6¼%-98)	Dresdner/Merrill Lynch
IBM Credit Corp	250	6.75	99.99R	Aug 1999	0.20R	+15(6⅞%-99)	CS First Boston
GECC(f)	250	6.25	99.87R	Aug 1998	0.125R	-10(6¼%-98)	SBC Warburg
Astra Overseas Finance	200	6.75#	99.537R	Aug 2003	0.65R	+200(5¾%-03)	ING Barings/SBC Warburg
Bank of Nova Scotia(a)	200	6.625	99.998R	Dec 1998	0.15R	+20(6¼%-98)	Scotia/Merrill Lynch
Morgan Guaranty Trust Co(e)	100	6.625	99.9339R	Jul 1999	0.1875R	+2(6⅝%-99)	JP Morgan Securities
Banco Ganadero, Panama	75	10.00#	99.68	Jul 1998	undisc!	+385(6¼%-98)	ING Barings
D-MARKS							
Dow Chemical Co	300	6.00	99.9875R	Aug 1999	0.1875R	+34(6¼%-99)	Dresdner-Kleinwort Benson
Korea Exchange Bank(a)	300	5.25	99.898R	Aug 1999	0.225R	+68(5¾%-99)	ABN Amro HG/DG Bank
Rabobank Nederland(e)	250	5.375	99.90R	Dec 2000	0.225R	+3(5¾%-00)	CSFB/SBC Warburg
Republic of Iceland(b,s)‡	100	(b1)	100.00	Apr 2001	0.175	-	Citibank
SWISS FRANCS							
Deutsche Finance Neth(c)	100	4.00	102.80	Nov 2000	1.75	-	Deutsche MG/SBC Warburg
STERLING							
MEPC(s)	150	8.75	99.30R	Dec 2006	0.375R	+78(7½%-06)	UBS
GUILDERS							
Cades	3bn	6.375	99.37R	Jul 2004	0.30R	+12(l)	ABN Amro Hoare Govett
FRENCH FRANCS							
Cyber-Val 07-96, A1‡	8bn	(f1,s)	100.00	Jul 1997	0.03	-	Lyonnais/Merrill/M Stanley
Cyber-Val 07-96, A2‡	8bn	(f2,s)	100.00	Jul 1998	0.05	-	Lyonnais/Merrill/M Stanley
Cyber-Val 07-96, A3‡	8bn	(f3,s)	100.00	Jul 1999	0.10	-	Lyonnais/Merrill/M Stanley
Cyber-Val 07-96, A4(f4)‡	16bn	(f5,s)	100.00	Jul 2001	0.135	-	Lyonnais/Merrill/M Stanley
Kingdom of Spain	6bn	6.625	99.46R	Jul 2006	0.325R	+10(6½%-06)	Société Générale
Kingdom of Morocco	1.5bn	6.50	100.00R	Jul 2002	0.40R	+48(6½%-02)	Banque Paribas
ITALIAN LIRE							
Kingdom of Sweden‡	300bn	(d)	100.00R	Aug 2004	0.35R	-	Deutsche Morgan Grenfell
Bayerische Vereinsbank	200bn	8.50	101.618	Aug 2001	1.875	-	Credito/HSBC Markets
ECU							
European Investment Bank(e)	150	6.00	100.28R	Apr 2001	0.25R	-17(8%-01)	Banque Paribas/CDC

Final terms, non-callable unless stated. Yield spread (over relevant government bond) at launch supplied by lead manager. ‡ Floating-rate note. #Semi-annual coupon. R: fixed re-offer price; fees shown at re-offer level. a) $200m launched 25/6/96 was increased to $300m. b) Fungible with DM250m. No accrued. b1) 3-mth Libor flat. c) Fungible with SFr200m. Plus 261 days accrued. d) 6-mth BOT +8bp. e) Fungible with Ecu500m. Plus 118 days accrued. f1) 3-mth Pibor flat. f2) 3-mth Pibor +4bp. f3) 3-mth Pibor +7bp. f4) Amortises half in 2000 and 2001. f5) 3-mth Pibor +9bp. l) Over interpolated yield. l) Long 1st coupon. s) Short 1st coupon.

Treasuries gain from sharp fall in stock prices

By Antonia Sharpe in London and Maggie Urry in New York

European government bond markets jumped in the late afternoon on the back of a rally in US Treasuries. The markets had earlier been steady to lower, after the Bundesbank decided to keep rates unchanged at its fortnightly council meeting.

■ US Treasuries were gainers from a sell-off in the equity market, as investment managers switched from stocks to fixed-income securities.

After falling early, the bond market recovered later in the morning as the switching activity caught traders with short positions. However, the general gloom constrained prices. By midday the long bond was back to opening levels, *at 86⅜ yielding 7.074* per cent, while at the short end the two year note was also unchanged at 99⅞ yielding 6.283 per cent. The September treasury bond future rose ⅛ to 107⅛.

The sharp fall in stock prices, with the Dow Jones Industrial Average down nearly 100 points at mid-morning, encourage a "flight to safety", traders *said*. Mr Philip Jordan, of Daiwa, said there had been a shift into the shorter-dated securities, with maturities of five years or less.

However, he expected that if the stock market continued to suffer badly, investors might buy even shorter dated paper.

The bond market is still expecting the Federal Reserve to increase its target interest rate, although today's producer prices figures are expected to show inflation is still low. Some believe that until there is firm evidence of a rise in inflation the Fed will be reluctant to move.

■ UK gilts were marginally disappointed by the retail prices data for June which saw the annual rate – excluding mortgage payments – unchanged at 2.8 per cent, compared with expectations of 2.7 per cent. Although inflation is *taking longer* than expected to moderate, analysts were not concerned about yesterday's numbers since they expect further falls in inflation.

GOVERNMENT BONDS

Gilts were also held back by rumours of a strong CBI survey, *due to be published* today, but were then lifted by the US market. The market is looking ahead to next Tuesday's announcement of the details of the stock which will be sold at *this month's £4bn* dual auction of short- and long-dated gilts.

The Bank of England's tap issuance of index-linked paper totalling £350m yesterday caught the attention of analysts *who remarked* that once these bonds were sold, the Bank would have carried out more than half of this year's index-linked issuance.

On Liffe, the September long *gilt future shot up to the* day's high of 107¼ in late afternoon, up ⅛ on the day, in turnover of more than 33,000 contracts.

■ German government bonds rose *about a quarter-point on* the back of Wall Street, after showing little movement earlier in the day because of the uneventful Bundesbank meeting. Next week's publication of *M3 data and the Ifo business* confidence survey should provide the market with fresh direction. On Liffe, the September bund future rose 0.21 points to 95.79 in turnover of about 75,000 contracts.

Bradys turn in best performance since Mexican crisis

By Richard Lapper, Capital Markets Editor

Emerging market bonds escaped largely unscathed from the sell-off in the US Treasury market last Friday and have subsequently outperformed, with the stripped spread over Treasuries yesterday falling to its lowest level since before the Mexico devaluation crisis of 1994.

The average stripped spread – which measures the spread on the Brady price less the value of the zero coupon Treasury bond against which it is collateralised – of Brady bonds fell from 755 basis points on Wednesday to 745 basis points by the London close yesterday, according to West Merchant Bank.

The rally in the long bond has proved beneficial for par bonds, with many traders preferring the fixed rate instrument to floating rate discount or interest arrears bonds. So far this week the price of these fixed rate instruments has risen by 2.3 per cent compared with a 1.3 per cent rise in the floating rate bonds, according to WMB's price index.

The move runs against the trend for the year which has seen floating rate paper rise by 14.8 per cent compared with a 2 per cent increase for fixed rate.

Otherwise, a roller-coaster performance by Ecuador, one of the smaller Brady markets, was the outstanding feature of the week. Ecuadorean Bradys tumbled on Monday following the presidential election of Mr Abdala Bucaram, seen by some as an unpredictable populist politician.

Ecuadorean Bradys dropped by 6.5 per cent on Monday but have subsequently clawed back some of this ground, partially as a result of the strength in the Treasury market and some short covering trades. In addition analysts point to buying by local interests.

The past due interest bond, the most widely-traded Ecuadorean Brady, fell from its Friday close of 45¾ cents to 41⅛ on Monday evening, but climbed back to a London close yesterday of 43⅞.

Mr Jerome Booth, head of emerging market research at ANZ, said that positive news when Mr Bucaram appoints his cabinet could further buying of Ecuadorean paper, predicting that the PDI bond could rise to more than 50 cents in the next few weeks.

Brazil has also performed relatively strongly partially on reports indicating the possibility of a buy-back or swap along Mexican lines. The price of C bonds rose yesterday by more than half a point to a bid price of 62.625, while par bonds gained ⅜ to a bid of 55⅛ on these expectations. Some analysts, however, questioned the usefulness of a buy-back for Brazil or the attractions of such a deal for investors, who can already buy non-collateralised long-dated Brady paper in the form of C bonds.

Mr Peter West, economic adviser at West Merchant Bank, said "The market is focusing on the possibility of Brazil undertaking a buy back or Brady swap option. But don't be surprised if Venezuela gets there first."

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	02/06	107.4700	-0.280	8.98	8.82	8.96
Austria		6.250	05/06	97.1800	-	6.66	6.63	6.45
Belgium		7.000	05/06	101.1700	+0.210	6.83	6.74	6.73
Canada *		7.000	12/06	94.5800	+0.150	7.77	7.70	7.70
Denmark		8.000	03/06	104.1200	+0.160	7.38	7.37	7.51
France	BTAN	5.750	03/01	99.7300	-0.030	5.81	5.81	5.66
	OAT	7.250	04/06	106.0500	+0.010	6.53	6.50	6.51
Germany Bund		6.250	04/06	97.9900	+0.040	6.53	6.55	6.52
Ireland		8.000	08/06	102.6100	+0.160	7.61	7.61	7.70
Italy		9.500	02/06	102.2700	-0.020	9.14†	9.11	9.45
Japan	No 140	6.600	06/01	118.6758	-0.010	2.37	2.29	2.34
	No 182	3.000	09/05	97.8527	-0.140	3.31	3.23	3.13
Netherlands		6.000	01/06	96.6500	+0.210	6.49	6.47	6.41
Portugal		11.875	02/05	118.4700	+0.170	8.71	8.70	9.06
Spain		8.800	04/06	100.3000	+0.070	8.73	8.60	9.23
Sweden		6.000	02/05	86.2354	+0.110	8.30	8.21	8.50
UK Gilts		8.000	12/00	103-12	+4/32	7.09	7.14	7.44
		7.500	12/06	97-16	+8/32	7.85	7.89	8.08
		9.000	10/08	107-29	+9/32	7.97	8.01	8.18
US Treasury *		6.875	05/06	99-16	+9/32	6.94	6.81	6.87
		6.000	02/26	85-22	+15/32	7.08	6.96	7.01
ECU (French Govt)		7.500	04/05	103.1900	-0.050	6.99	6.94	7.00

London closing, *New York mid-day. Yields: Local market standard.
* Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Latest		Treasury Bills and Bond Yields			
Prime rate	8¼	One month	-	Two year	6.35
Broker loan rate	7	Two month	-	Three year	6.53
Fed funds	5¼	Three month	5.28	Five year	6.74
Fed funds at intervention	-	Six month	5.56	10-year	6.96
		One year	5.88	30-year	7.12

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	121.78	121.66	-0.04	121.78	121.56	10,692	169,032
Dec	120.44	120.32	-0.04	120.44	120.28	580	26,803
Mar	120.20	120.08	-0.04	120.20	120.00	76	1,614

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Aug	CALLS Sep	CALLS Dec	PUTS Aug	PUTS Sep	PUTS Dec
120	-	-	1.46	0.04	0.24	1.17
121	-	1.15	0.94	0.18	0.46	-
122	0.19	0.54	-	0.57	-	-
123	0.02	0.20	-	1.38	-	-
124	-	0.06	-	-	-	-

Est. vol. total, Calls 8,040 Puts 9,231. Previous day's open int., Calls 123,384 Puts 140,227.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	95.68	95.79	+0.22	95.83	95.47	113316	196105
Dec	94.62	94.89	+0.23	94.75	94.62	56	6726

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Aug	CALLS Sep	CALLS Oct	CALLS Dec	PUTS Aug	PUTS Sep	PUTS Oct	PUTS Dec
9550	0.49	0.78	0.82	0.82	0.20	0.47	1.13	1.43
9600	0.21	0.49	0.55	0.82	0.42	0.70	1.44	1.73
9650	0.07	0.28	0.31	0.46	0.78	0.99	1.82	2.07

Est. vol. total, Calls 11007 Puts 6780. Previous day's open int., Calls 161444 Puts 170884

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	117.32	117.28	+0.06	117.38	117.07	25544	63841
Dec	116.50	116.62	+0.06	116.50	116.50	30	2020

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Sep	CALLS Dec	PUTS Sep	PUTS Dec
11700	1.17	1.75	0.89	2.18
11750	0.92	1.51	1.14	2.39
11800	0.71	1.30	1.40	2.66

Est. vol. total, Calls 2308 Puts 6431. Previous day's open int., Calls 77113 Puts 74038

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	101.40	101.31	+0.05	101.40	100.96	59,598	61,711

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	106-29	107-04	+0-10	107-06	106-20	39701	132259
Dec	-	106-09	+0-10	-	-	0	522

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Aug	CALLS Sep	CALLS Oct	CALLS Dec	PUTS Aug	PUTS Sep	PUTS Oct	PUTS Dec
107	0-36	1-00	0-59	1-27	0-25	0-56	1-41	2-09
108	0-11	0-35	0-37	1-00	1-03	1-27	2-10	2-46
109	0-02	0-17	0-22	0-43	1-56	2-09	3-04	3-20

Est. vol. total, Calls 2741 Puts 2685. Previous day's open int., Calls 22894 Puts 22046

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	90.62	90.60	-0.04	90.64	90.56	763	6,918
Dec	-	89.00	-	-	-	-	-

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Sep	107-16	107-06	-0-09	107-23	106-29	300,868	451,376
Dec	107-00	106-21	-0-09	107-02	106-13	939	18,837
Mar	106-02	106-08	-0-10	106-09	106-02	12	2,843

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Sep	118.47	-	-	118.49	118.44	1468	n/a
Dec	117.41	-	-	117.45	117.41	451	n/a

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price indices UK Gilts	Thu Jul 11	Day's change %	Wed Jul 10	Accrued interest	xd adj. ytd		Low coupon yield Jul 11	Low coupon yield Jul 10	Low coupon yield Yr. ago	Medium coupon yield Jul 11	Medium coupon yield Jul 10	Medium coupon yield Yr. ago	High coupon yield Jul 11	High coupon yield Jul 10	High coupon yield Yr. ago
1 Up to 5 years (22)	122.16	0.05	122.23	2.41	5.12	5 yrs	7.24	7.27	7.87	7.29	7.31	7.88	7.38	7.39	7.98
2 5-15 years (19)	146.54	0.20	146.62	1.99	6.39	15 yrs	8.09	8.11	8.19	8.09	8.12	8.24	8.20	8.20	8.35
3 Over 15 years (9)	161.79	0.35	161.21	2.55	6.30	20 yrs	8.20	8.20	8.22	8.17	8.21	8.26	8.26	8.26	8.36
4 Irredeemables (6)	182.96	-0.46	183.83	2.63	8.36	Irred.†	8.30	8.25	8.30						
5 All stocks (56)	142.12	0.17	142.05	2.35	5.96										

Index-linked	Thu Jul 11	Day's change %	Wed Jul 10	Accrued interest	xd adj. ytd		Inflation 5% Jul 11	Inflation 5% Jul 10	Inflation 5% Yr. ago	Inflation 10% Jul 11	Inflation 10% Jul 10	Inflation 10% Yr. ago
6 Up to 5 years (1)	199.03	-0.01	199.04	1.86	4.48	Up to 5 yrs	2.31	2.49	3.17	0.63	1.08	1.36
7 Over 5 years (11)	187.73	-0.10	188.06	1.29	2.45	Over 5 yrs	3.75	3.77	3.82	3.52	3.57	3.41
8 All stocks (12)	187.88	-0.10	188.18	1.30	2.45							

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Jul 11	Jul 10	Jul 9	Jul 8	Jul 5	Yr ago	High*	Low*
Govt. Secs. (UK)	92.96	92.60	92.50	92.66	92.69	93.17	95.34	91.59
Fixed Interest	112.59	112.36	112.27	113.95	112.48	112.20	115.23	110.74

* for 1996. Government Securities high since compilation: 127.4 (09/01/35), low 49.18 (03/01/75). Fixed Interest high since compilation: 133.87 (21/01/94), low 50.53 (03/01/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Jul 10	Jul 9	Jul 8	Jul 5	Jul 4
Gilt Edged bargains	79.0	76.0	69.2	87.0	85.7
5-day average	79.4	76.8	80.6	82.2	80.6

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:10 pm on July 11

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	96	96¼	+⅛	7.26
ABN Amro Bank 7¼ 05	1000	98¼	98⅝		7.56
African Dev Bk 7¾ 23	500	94¼	94¾	+⅛	7.89
Alberta Province 7⅞ 98	1000	102	102¼	+⅛	6.64
Asian Dev Bank 6¼ 05	750	89⅞	89⅞	+⅛	7.39
Austria 8½ 00	400	105	105¼	+⅛	6.84
Baden-Wuertt L-Fin 8⅛ 00	1000	103⅞	103⅞	+⅛	6.82
Bank Ned Gemeenten 7 99	1000	101¼	101⅜	+⅛	6.58
Bayer Vereinsbk 8⅛ 00	500	103⅞	103¾		6.86
Belgium 5½ 03	1000	90¼	90½	+⅛	7.28
British Columbia 7¼ 02	500	100	100¼	+⅛	7.11
British Gas 0 21	1500	13⅛	13⅝	+⅛	8.21
Canada 6⅜ 05	1500	94¼	94½	+⅛	7.39
Canada 6½ 97	2000	100⅜	100½	+⅛	6.10
Cheung Kong Fin 5½ 98	500	95⅞	96¼	+⅛	7.70
China 6½ 04	1000	92¾	93¼	+⅛	7.89
Credit Foncier 9½ 99	300	106⅛	106⅝	+⅛	6.78
Denmark 5¾ 98	1000	99	99¼		6.39
East Japan Railway 6⅝ 04	600	95⅝	95⅞	+⅛	7.35
EIB 6 04	500	94¼	94⅝	+⅛	6.99
EIB 9¼ 97	1000	103⅞	103⅞		6.30
Elec de France 9 98	200	103⅞	104		6.60
Ex-Im Bank Japan 8 02	500	104⅛	104⅜	+⅛	7.11
Export Dev Corp 9½ 98	150	105⅛	105⅜	+⅛	6.65
Exxon Capital 0 04	1800	55¼	56¼	-⅛	7.26
Fed Home Loan 7⅛ 99	1500	101⅛	101½	+⅛	6.72
Federal Natl Mort 7.40 04	1500	101⅜	101⅝	+⅛	7.30
Finland 6¾ 97	3000	100⅝	100⅞		6.35
Ford Motor Credit 6¼ 98	1500	99½	99¾		6.66
General Mills 0 13	1000	23¼	24⅛		8.91
INI Finance 5¼ 98	650	96⅞	97⅛	+⅛	6.68
Inter-Amer Dev 6⅛ 06	1000	92⅝	92¾	+⅛	7.33
Inter-Amer Dev 7½ 05	500	101	101¼	+⅛	7.33
Intl Finance 5¼ 99	500	97¼	97½		6.47
Italy 6 03	2000	93⅞	93⅝	+⅛	7.32
Italy 6⅞ 23	3500	89¾	90⅛	+⅛	8.04
Japan Dev Bk 8⅞ 01	500	105⅛	105⅜	+⅛	7.01
Korea Elec Power 6⅜ 03	1350	93⅜	93⅞	+⅛	7.70
Matsushita Elec 7¼ 02	1000	100⅞	101⅛	+⅛	7.19
Ontario 7⅜ 03	3000	101⅛	101¼	+⅛	7.28
Oster Kontrollbank 8½ 01	200	105⅝	105⅞	+⅛	7.02
Portugal 5¾ 03	1000	92	92⅛	+⅛	7.31
Quebec Hydro 9¾ 98	150	105¾	106	+⅛	6.84
Quebec Prov 9 98	200	103½	103⅞		6.76
SAS 10 99	200	106⅞	107⅛	+⅛	7.11
SNCF 9½ 98	150	105¼	105⅝		6.54
Spain 6½ 99	1500	99½	99⅝	+⅛	6.67
Sweden 6½ 03	2000	97⅛	97½	+⅛	7.17
Tennessee Valley 6 00	1000	97	97¼	+⅛	6.93
Tennessee Valley 6⅜ 05	2000	94⅝	94⅞	+⅛	7.33
Tokyo Elec Power 6⅛ 03	1000	94⅛	94⅜		7.22
Toyota Motor 5⅝ 98	1500	98¾	99		6.41
United Kingdom 7¼ 02	3000	101⅝	101¾		6.92
Walt Disney 6½ 04	1300	97¼	97½	+⅛	7.18
World Bank 6⅜ 05	1500	95	95¼	+⅛	7.26
World Bank 8⅞ 99	1500	105¼	105⅜		6.84
DEUTSCHE MARK STRAIGHTS					
Austria 6½ 24	2000	90⅜	90⅞	+⅛	7.32
Baden-Wuertt L-Finance 6 99	2000	102⅞	103⅛		4.88
Credit Foncier 7¼ 03	2000	100½	100⅞	+⅛	7.14
Denmark 6⅛ 98	2000	103⅛	103¼	+⅛	4.23
Depfa Finance 6⅜ 03	1500	99½	99⅝	+⅛	6.46
Deutsche Bk Fin 7½ 03	2000	104⅞	105¼	+⅛	6.55
EEC 6½ 00	2800	103⅞	104	+⅛	5.20
EIB 6⅛ 00	1500	103	103⅛	+⅛	5.34
Finland 7½ 00	3000	106⅞	107⅛	+⅛	5.31
Italy 7¼ 98	5000	104½	104⅝		4.22
LKB Baden-Wuertt 6½ 08	2250	98½	98⅝	+⅛	6.93
Norway 6⅛ 98	1500	103	103¼		4.38
Ontario 6¼ 04	1500	98	98¼	+⅛	6.58
Spain 7¼ 03	4000	104⅞	105	+⅛	6.32
Sweden 8 97	2500	104⅝	105		4.09
United Kingdom 7⅛ 97	5500	103⅞	104⅛		3.96
Volkswagen Intl Fin 7 03	1000	102	102⅛		6.62
World Bank 0 15	2000	30⅝	30⅞		6.62
World Bank 5⅞ 03	3000	98¼	98⅝	+⅛	6.08
SWISS FRANC STRAIGHTS					
Asian Dev Bank 0 16	500	35¼	35½		5.47
Austria 4½ 00	1000	103⅛	103¾	+⅛	3.40
Council Europe 4¼ 98	250	102	102½	-⅛	3.43
Denmark 4¼ 99	1000	103	103	+⅛	3.25
EIB 3¾ 99	1000	101¼	101⅞		3.02
EIB 6¾ 04	300	112⅛	112⅝		4.62
Finland 7¼ 99	300	110¼	110¾		3.82
Iceland 7⅜ 00	100	112½	113		4.20
Inter Amer Dev 4¾ 03	600	102¼	102⅞		4.37
Ontario 6¼ 03	400	109⅛	109⅞	-⅛	4.58
Quebec Hydro 5 08	100	100	101	-⅛	5.00
SNCF 7 04	450	114⅞	115½	+⅛	4.77
Sweden 4¼ 03	500	102	102½		4.41
World Bank 0 21	700	25⅞	26¼	+⅛	5.47
World Bank 7 01	600	112¼	112⅝		4.05
YEN STRAIGHTS					
Belgium 5 99	75000	109⅞	109⅞		2.34
Credit Foncier 4¾ 02	75000	104¼	105	+⅛	3.66
EIB 6⅝ 00	100000	115½	115¾	+⅛	2.19
Ex-Im Bank Japan 4⅜ 03	105000	107⅞	108⅛		3.14
Inter Amer Dev 7¼ 00	30000	118⅛	118⅜		2.27
Italy 3½ 01	30000	103½	103⅝	+⅛	2.76
Italy 5 04	200000	111¾	112		3.37
Japan Dev Bk 5 99	100000	109¼	109½		2.00
Japan Dev Bk 6½ 01	120000	118⅞	119		2.57
SNCF 6¾ 00	30000	115⅝	115⅞	+⅛	2.23
Spain 5¼ 02	125000	115	115¼	-⅛	2.86
Sweden 4⅝ 98	150000	105	105¼		1.37
World Bank 5¼ 02	250000	113⅞	113½		2.71
OTHER STRAIGHTS					
Bayerische LB Giro 8⅛ 04 LFr	2000	108	109	+⅛	6.84
Tractebel Invest 6⅞ 04 LFr	1500				
World Bank 8⅛ 04 LFr	2000	109	110		6.68
ABN Amro 6⅝ 00 Fl	1000	103⅞	104⅛		5.44
Austria 6½ 99 Fl	1000	104	104¼		4.94
Bell Canada 10⅝ 99 C$	150	109⅝	109⅞		7.08
British Columbia 7¾ 03 C$	1250	100⅞	101⅛		7.73
Canada Mtg & Hsg 8¼ 99 C$	1000	104	104¼	+⅛	6.90
EIB 10⅛ 98 C$	130	106	106⅜		6.18
Elec de France 9¾ 99 C$	275	107½	107⅞		7.00
KfW Intl Fin 10 01 C$	400	109¾	110¼		7.42
Nippon Tel Tel 10¼ 99 C$	200	108⅞	109¼		7.09
Ontario 8 03 C$	1500	102¼	102⅝	+⅛	7.70
Ontario Hydro 10⅞ 99 C$	500	109⅞	110⅛	+⅛	6.75
Oster Kontrollbank 10¼ 99 C$	150	108¾	109¼		6.96
Quebec Hydro 7 04 C$	1000	94⅜	94⅝		8.13
Quebec Prov 10½ 98 C$	200	107⅞	108⅛	+⅛	6.78
Council Europe 9 01 Ecu	1100	110⅞	111⅛	+⅛	6.51
Credit Foncier 8⅞ 04 Ecu	1000	102⅞	102⅞	+⅛	7.89
Denmark 8½ 02 Ecu	1000	109⅛	109⅝		6.50
EC 6 00 Ecu	1100	101¼	101⅜	+⅛	5.69
EIB 10 01 Ecu	1150	114⅞	114½		6.24
Ferro del Stat 10⅛ 98 Ecu	500	106¾	107⅛		5.25
Italy 10¾ 00 Ecu	1000	114⅞	115⅛		6.19
United Kingdom 9⅛ 01 Ecu	2750	111⅛	111⅜		6.26
AIDC 10 99 A$	100	103⅞	103¾		8.65
Comm Bk Australia 13¾ 99 A$	100	113¼	113¾	-⅛	8.78
EIB 7⅞ 99 A$	350	99⅛	99¾	-⅛	8.14
NSW Treasury Zero 0 20 A$	1000	11⅛	11½	-⅛	9.43
R & I Bank 7¾ 03 A$	125	93½	93⅞	-⅛	9.05
State Bk NSW 9 02 A$	300	100⅞	101¼	-⅛	8.80
Sth Aust Govt Fin 9 02 A$	150	100⅞	100¾	-⅛	8.91
Unilever Australia 12 98 A$	150	105¼	105¾		8.57
Western Aust Treas 7¾ 98 A$	100	98¾	99⅛		8.36
Abbey Natl Treasury 8 03 £	1000	100½	100⅝	+⅛	7.89
British Land 8⅞ 23 £	150	90¾	91¼	+⅛	10.10
Denmark 6¾ 98 £	800	100⅞	100½	+⅛	6.64
Depfa Finance 7⅛ 03 £	500	95⅞	96½	+⅛	7.97
EIB 8 03 £	1000	101⅞	101½	+⅛	7.73
Glaxo Wellcome 8¾ 05 £	500	102	102¼	+⅛	8.42
Hanson 10⅜ 97 £	500	104⅛	104¼		6.48
HSBC Holdings 11.69 02 £	153	116	116⅝	+⅛	8.22
Italy 10½ 14 £	400	113⅞	114¼	+⅛	8.91
Japan Dev Bk 7 00 £	200	99⅞	99¾		7.16
Land Secs 9½ 07 £	200	105¼	105⅝	+⅛	8.72
Ontario 11⅛ 01 £	100	113	113⅜	+⅛	7.84
Powergen 8⅞ 03 £	250	103¾	104	+⅛	8.11
Severn Trent 11½ 99 £	150	111⅞	111⅞	+⅛	7.24
Tokyo Elec Power 11 01 £	150	113⅝	113⅞	+⅛	7.68
TCNZ Fin 9¼ 02 NZ$	75	101	102	+⅛	9.02
World Bank 12½ 97 NZ$	250				
Credit Local 6 01 FFr	6000	100¼	100½	-⅛	5.94
Denmark 5½ 99 FFr	7000	100¾	101	-⅛	5.24
Elec de France 8¾ 22 FFr	3000	116¾	116⅞		7.57

FLOATING RATE NOTES

	Issued	Bid	Offer	C.cpn
Abbey Natl Treasury -1/16 99	1000	99.89	99.97	5.4766
BankAmerica ⅛ 99	750	99.94	100.04	5.7363
Canada -⅛ 99	2000	99.64	99.71	5.2500
CCCE 0 06 Ecu	200	99.65	99.73	4.2575
Commerzbk O/S Fin -⅛ 98	750	99.79	99.87	5.3555
Credit Lyonnais 1/16 00	300	98.16	98.58	5.5000
Credit Lyonnais 0.30 98	1250	100.00	100.10	5.7863
Denmark -⅛ 97	1000	99.95	100.01	5.4141
Dresdner Finance 1/16 98 DM	1000	100.00	100.09	3.2812
Fed Nat Mort -1/16 00	1000	99.64	99.76	5.0977
Finland 0 97	1000	100.08	100.18	5.4492
Finland -⅛ 99	1500	99.92	99.99	5.3750
Halifax BS 0 99	500	100.07	100.16	5.5391
IMI Bank Intl ¼ 99	500	100.34	100.44	5.7305
Italy 1/16 99	1500	100.26	100.31	5.5430
LKB Baden-Wuert Fin -⅛ 98	1000	99.93	100.00	5.4766
Lloyds Bank Perp S 0.10	600	84.66	85.01	5.3500
Malaysia 1/16 05	650	99.79	99.91	5.5625
New Zealand -⅛ 99	1000	99.91	100.00	5.4453
Nova Scotia 1/16 99	500	99.99	100.07	5.5875
Ontario 0 99	2000	100.00	100.07	5.4805
Portugal 1/16 99 DM	2500	100.18	100.28	3.4492
Quebec Hydro 0 99	500	99.59	99.72	5.6875
Renfe 0 98	500	99.76	99.81	5.4375
State Bk Victoria 0.05 99	125	99.94	100.09	5.8469
Sweden -⅛ 01	2000	99.93	100.00	5.3750

CONVERTIBLE BONDS

	Issued	Conv. Price	Bid	Offer	Prem.
Allied-Lyons 6¾ 08 £	200	6.04	95⅛	96⅛	+38.25
BE Finance 8¾ 08 £	438	8.4	100	100¾	+33.89
Gold Kalgoorlie 7½ 00	65	1.37	116	116	+17.91
Grand Metropolitan 6½ 00	710	4.37	109¾	110¾	+11.04
Hanson America 2.39 01	420	28.6375	85¼	85¾	+98.24
Hong Kong Land 4 01	410	31.05	83⅞	84¼	-15.89
Land Secs 6¾ 02 £	84	6.72	98⅞	100½	+5.77
Lasmo 7¾ 05 £	90	4.64	91⅝	93	
Mitsui Bank 2⅝ 03	200	2332.6	80¼	82	+35.24
Natl Power 6¼ 08 £	250	4.33	119⅞	120¾	-3.20
Ogden 6 02	85	39.077	89¾	91½	+72.58
Pennzoil 4¾ 03	500	56.8097	107¾	108⅞	+6.69
Sappi BVI Finance 7½ 02	250	76	92¼	93¼	+82.07
1 3/8 00 JPY 40bil 1⅜ 00	40000	1059.4	103½	104⅛	+7.50
Sumitomo Bank 3¼ 04	300	3606.9	82	83	+24.98
Sun Alliance 7¼ 08 £	155	3.9	105⅛	106⅛	+7.05
Transatlantic Hldgs 5½ 09 £	250	5.05	83⅞	84⅞	+17.53

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

UK GILTS PRICES

	Notes	Yield Int	Yield Red	Price £	+ or -	52 week High	52 week Low
Shorts" (Lives up to Five Years)							
Treas 3pc 1996		0.91	5.43	219⅞	—	219⅞	211⅛
Conversion 10pc 1996		9.86	5.94	101⅜	-1/32	104⅛	101⅜
Treas 13¼pc 1997‡‡		12.74	5.80	103⅞xd	—	108½	103⅞
Exch 10½pc 1997		10.20	5.90	102⅞	—	105⅝	102⅞
Treas Cnv 7pc 1997‡‡		6.91	5.89	101⅜	—	101⅝	99⅝
Treas 8¾pc 1997‡‡		8.49	5.83	103⅛	—	104⅞	102⅞
Exch 15pc 1997		13.49	5.90	111¼	—	118⅞	111⅛
Exch 9¾pc 1998		9.27	6.08	105⅛xd	—	107⅞	104⅞
Treas 7¼pc 1998‡‡		7.13	6.19	101⅝	—	102⅞	99⅞
Treas 6¾pc 1995-98‡‡		6.72	6.49	100⅛	—	101	97⅞
Treas 15½pc '98‡‡		13.08	6.42	118⅝	-1/32	123⅛	117⅞
Exch 12pc 1998		10.75	6.54	111⅝	-1/32	114⅝	111⅛
Treas 9½pc 1999‡‡		8.91	6.58	106⅝xd	—	108⅛	104⅞
Treas Flg Rate 1999		-	-	99⅞	+1/32	100⅛	99⅛
Exch 12¼pc 1999		10.79	6.70	113⅝	+1/32	116⅝	112⅞
Treas 10½pc 1999		9.58	6.73	109⅝	—	112⅛	108⅛
Treas 6pc 1999‡‡		6.13	6.78	97⅞	—	98⅞	93⅝
Conversion 10¼pc 1999		9.33	6.89	109⅞	+1/32	112⅛	108
Conv 9pc 2000‡‡		8.47	6.98	106⅜	+1/32	108⅝	103⅞
Treas 13pc 2000		10.81	7.07	120⅛xd	+1/32	124⅞	119⅛
Treas 14pc 1998-1		12.35	6.39	113⅜	—	117⅛	113⅛
Treas 8pc 2000‡‡		7.74	7.06	103⅜	+1/32	105⅞	99⅞
Treas Flg Rate 2001		-	-	99⅞	+1/32	99⅞	99⅛
Treas 10pc 2001		9.03	7.20	110⅞	+⅛	114	108⅛
Five to Fifteen Years							
Treas 7pc 2001 ‡‡		7.10	7.29	98⅝	+⅛	101⅛	94⅛
Treas 9¾pc 2002		8.78	7.46	111	+⅛	114⅝	107⅝
Treas 8pc 2003‡‡		7.81	7.53	102⅜	+⅛	105⅞	98⅞
Treas 10pc 2003		8.85	7.59	113	+⅛	117⅛	109⅞
Treas 11½pc 2001-4		9.90	7.36	116⅛	+⅛	119⅞	114⅛
Funding 3½pc 1999-4		4.33	6.57	80⅞xd	+⅛	83⅛	76⅛
Conversion 9½pc 2004		8.58	7.73	110⅛	+⅛	114⅛	106⅞
Treas 6¾pc 2004‡‡		7.10	7.74	93⅞	+⅛	96⅞	89½
Conv 9½pc 2005		8.50	7.79	110⅜	+⅛	114⅞	107⅛
Treas 12½pc 2003-5		9.90	7.73	126⅛	+⅛	131⅛	123⅞
Treas 8½pc 2005‡‡		8.13	7.79	104⅞	+1/32	108⅞	101
Treas 7½pc 2006‡‡		7.69	7.86	97⅞	+⅛	101⅞	94⅞
Treas 7¾pc 2006‡‡		7.83	7.88	98⅞	+⅛	103⅛	95⅛
Treas 8pc 2002-6‡‡		7.94	7.85	100⅞	-⅛	104⅞	96⅞
Treas 11¾pc 2003-7		9.74	7.85	120⅞xd	+⅛	125⅛	118⅛
Treas 8½pc 2007 ‡‡		8.16	7.92	104½xd	+⅛	108⅞	100⅞
Treas 13½pc 2004-8		10.17	7.75	132⅞	+⅛	138⅞	130⅞
Treas 9pc 2008 ‡‡		8.34	7.97	107⅞	+⅛	112⅞	104⅞
Treas 8pc 2009		8.02	8.01	99⅞	+⅛	104½	96⅞
Treas 6 1/4pc 2010		7.40	8.09	84⅜	+⅛	88⅛	81⅛
Over Fifteen Years							
Conv 9pc Ln 2011 ‡‡		8.35	8.08	107⅞xd	+⅛	112⅞	104⅞
Treas 9pc 2012‡‡		8.35	8.11	107⅞	+⅛	113⅛	104⅞
Treas 5½pc 2008-12‡‡		7.03	7.89	78⅛	+⅛	82⅞	75⅞
Treas 8pc 2013‡‡		8.12	8.15	98⅞	+⅛	103⅞	95⅞
Treas 7¾pc 2012-15‡‡		8.09	8.17	95⅞	+⅛	101⅞	93⅞
Treas 8pc 2015		8.13	8.15	98⅞	+⅛	104⅛	95⅞
Treas 8¾pc 2017‡‡		8.30	8.19	105⅞	+⅛	111⅞	102½
Exch 12pc 2013-17		8.93	8.23	134⅞	+⅛	141⅞	130⅞
Treas 8pc 2021		8.08	8.15	98⅞	+⅛	98⅛	95⅞
Undated							
Consols 4pc		8.40	-	47⅞	+⅛	50⅞	46⅛
War Loan 3½pc‡‡		8.25	-	42⅞	-⅛	45⅛	41⅛
Conv 3½pc '61 Aft.		5.86	-	59¾	—	62⅞	58⅛
Treas 3pc '66 Aft.		8.29	-	36⅛	—	38⅛	34⅛
Consols 2½pc		8.22	-	30⅞	-⅛	32⅞	29⅛
Treas. 2½pc		8.43	-	29⅞	-⅛	32⅛	28⅞

Index-Linked	Notes	Yield (1)	Yield (2)	Price £	+ or -	52 week High	52 week Low
	(b)						
4⅜pc '98‡‡	(135.6)	0.66	2.32	113⅞	-⅛	113⅞	111⅛
2½pc '01	(78.3)	2.93	3.52	180⅞	-⅛	180⅞	174⅞
2½pc '03	(78.8)	3.20	3.65	175⅞	-⅛	178⅛	170⅞
4⅛pc '04‡‡	(135.6)	3.26	3.67	114⅞	-⅛	116⅞	112⅞
2pc '06	(69.5)	3.37	3.69	183⅞xd	-⅛	185⅞	179
2½pc '09	(78.8)	3.47	3.73	165⅛	-⅛	167⅛	161⅛
2½pc '11	(74.6)	3.52	3.75	170⅞	-⅛	173⅛	166⅛
2½pc '13	(89.2)	3.55	3.78	140⅛	-⅛	143	136⅞
2½pc '16	(81.6)	3.60	3.79	149⅛	-⅛	152⅛	145⅛
2½pc '20	(83.0)	3.64	3.81	142⅞	-⅛	146⅛	139⅞
2½pc '24‡‡	(97.7)	3.64	3.79	118⅞xd	-⅛	122⅛	115⅛
4⅛pc '30‡‡	(135.1)	3.64	3.79	118⅞xd	-⅛	120⅞	113⅞

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for November 1995: 149.8 and for June 1996: 153.0

Other Fixed Interest

	Notes	Yield Int	Yield Red	Price £	+ or -	52 week High	52 week Low
Asian Dev 10⅛pc 2009		8.87	8.33	114⅛	—	120	111⅞
B'ham 11½pc 2012		9.35	8.82	123	—	128	119½
Ireland Cap 8½pc '10		8.04	-	105⅛	—	106	102½
9pc Cap 1996		8.65	-	104	—	104⅛	104
13pc '97-2		11.72	-	110⅞	—	111⅞	110⅛
Hydro Quebec 15pc 2011		10.12	8.04	148⅛	—	152⅛	142⅞
Leeds 13½pc 2006		10.25	-	131⅛	—	136½	128
Liverpool 3½pc Irred		9.27	-	37⅛	—	41	33
LCC 3pc '20 Aft		8.02	-	33⅞	—	35	27⅛
Manchester 11½pc 2007		9.58	8.88	120⅛	—	124½	117
Met. Wtr. 3pc 'B'		3.96	7.70	75⅛	—	78	70
N'wide Anglia 3⅞pc 2021		-	4.65	139½	—	143½	133
4⅛pc IL 2024		-	4.61	134	—	140⅝	130½
Utd Mex States 16½pc 2008		12.57	-	131⅛	—	136½	117½

● "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock. Prospective real index-Linked redemption yields are calculated by HSBC Greenwell from Bank of England closing prices.

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GOVERNMENT BONDS

CURRENCIES AND MONEY

MARKETS REPORT

Falling Wall Street nudges dollar lower

By Robert Chote

A sharp fall in Wall Street share prices pushed the dollar slightly lower in yesterday's late European trading, enlivening an otherwise uneventful day in the currency markets.

The dollar spent most of the European day moving in a painfully narrow range, with the holiday season exerting a soporific influence on activity. In London it closed almost 0.3 pfennigs lower at DM1.5217, with the pound gaining 0.22 cents to reach $1.5557. Against the Japanese currency, the dollar gained just over a tenth of a yen to finish at Y110.235.

With the Dow Jones industrial average falling nearly 100 points by the New York mid-morning the dollar was sold against both D-marks and Swiss francs. But long yen positions bolstered the dollar against the Japanese currency. The Dow's fall also weakened the Mexican peso.

Mr Jean Arthuis, the French finance minister, noted that the Group of Seven leading industrial nations had been satisfied by the dollar's rise since last year, but he told an investment conference that there was still scope for the US currency to strengthen further.

Figures from the US labor department showing a 369,000 rise in initial jobless claims in the first week of July had little impact on the currency. This was the highest figure since April 20, but only 14,000 higher than Wall Street economists had on average expected.

There was little movement among the European currencies, with the Bundesbank fulfilling expectations by leaving interest rates on hold. Sterling shed a tenth of a pfennig to finish at DM2.3678 while the French franc rose a tenth of a centime against the D-mark to close at FFr3.384. The D-mark was unchanged against the Italian lira at L1007.

■ Mr Howard Davies, the deputy-governor of the Bank of England, predicted yesterday that France and Germany would not meet the government borrowing targets laid down for participation in a single European currency, unless they did more to cut public spending or increase revenues.

In a speech to lawyers in Cambridge, England, Mr Davies drew on forecasts by the Organisation for Economic Cooperation and Development, concluding that the unforeseen economic slowdown over the past year had put budget deficits under pressure.

Mr Davies also warned that it would become "extremely difficult" to make necessary structural adjustments to labour markets once countries were participating in a single currency. The required steps therefore had to be taken before Emu got under way.

■ The dollar has been little affected in recent days either by complaints from US exporters that it may be too strong or by a research paper from the US Federal Reserve which has undermined expectations of a near-term rise in interest rates.

"Dollar/D-mark is still propped up by central banks and the fundamentals will be increasingly against it", said Ms Alison Cottrell, at PaineWebber. She noted that Mr Arthuis's support for a stronger dollar was only significant to the extent that it mirrored the views of the Bundesbank.

In a few weeks time the Bundesbank would have to bite as well as bark if it wished to keep the dollar up, Ms Cottrell added. During the holidays any comment from the Bundesbank suggesting that the dollar had risen enough could have a big impact.

Mr Ian Gunner, at Chase, said that the dollar was looking top-heavy. He predicted that there might be a correction to come, although it would not be a big one.

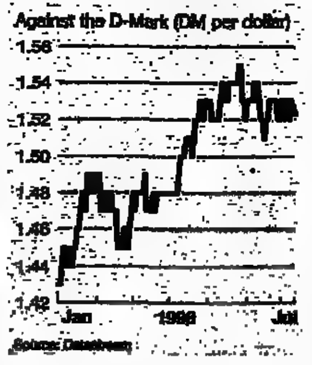
Mr Kit Juckes, at NatWest Markets, said that Mr Alan Greenspan, the Fed chairman, could send the dollar higher if he talked tough at this month's Humphrey Hawkins testimony: "We are creating good conditions for another dollar rally".

Technical analysts are looking for the dollar to get back above Y110.50, otherwise it could drift lower. Mr Mark Cliffe, at HSBC Markets, predicted that the dollar was more likely to fall below Y110 than to strike out for Y120.

■ Sterling's trade-weighted index ended the day unchanged at 86.5 per cent of its 1990 value. June's UK inflation figures came in much as expected, with the headline rate edging down from 2.2 to 2.1 per cent in June. Currency strategists remain nervous of further base rate cuts, given the chancellor's lack of scope for fiscal relaxation.

Dollar

Against the D-Mark (DM per dollar)



Source: Datastream

■ Pound in New York

Jul 11	Latest	Prev. close
£ spot	1.5560	1.5525
1 mth	1.5556	1.5521
3 mth	1.5558	1.5524
1 yr	1.5589	1.5570

■ OTHER CURRENCIES

Jul 11	£	$
Czech Rp	42.3372 - 42.3986	27.2230 - 27.2430
Hungary	233.933 - 234.161	150.420 - 150.470
Iran	4668.60 - 4665.60	3000.00 - 3008.00
Kuwait	0.4662 - 0.4673	0.2998 - 0.3003
Poland	4.2465 - 4.2506	2.7305 - 2.7315
Russia	7967.29 - 7977.08	5123.00 - 5126.00
U.A.E.	5.7121 - 5.7192	3.6729 - 3.6732

POUND SPOT FORWARD AGAINST THE POUND

Jul 11		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	18.6599	-0.0062	507 - 691	18.6945	18.6500	18.6267	2.3	18.5597	2.6	-	-	104.9
Belgium	(BFr)	48.8179	+0.024	711 - 647	48.8810	48.7710	48.7229	2.3	48.5329	2.3	47.7479	2.2	106.4
Denmark	(DKr)	9.1195	-0.0047	150 - 240	9.1500	9.1144	9.1058	1.8	9.0854	1.5	8.9776	1.6	107.4
Finland	(FM)	7.2325	-0.0016	250 - 399	7.2470	7.2250	7.2261	0.7	7.22	0.7	-	-	83.7
France	(FFr)	8.0114	-0.0047	080 - 147	8.0313	8.0060	7.9982	1.8	7.9784	1.7	7.893	1.6	108.1
Germany	(DM)	2.3673	-0.001	661 - 685	2.3730	2.3661	2.3629	2.3	2.3538	2.3	2.3161	2.2	100.8
Greece	(Dr)	372.590	+0.055	395 - 785	372.894	372.034	-	-	-	-	-	-	67.9
Ireland	(I£)	0.9750	+0.0002	743 - 756	0.9756	0.9740	0.9745	0.6	0.9736	0.7	0.9688	0.6	99.6
Italy	(L)	2383.64	-0.5	189 - 555	2389.28	2380.74	2389.19	-2.8	2398.04	-2.6	2431.64	-2.0	76.9
Luxembourg	(LFr)	48.8179	+0.024	711 - 647	48.8810	48.7710	48.7229	2.3	48.5329	2.3	47.7479	2.2	106.4
Netherlands	(Fl)	2.6560	-	567 - 592	2.6625	2.6560	2.6519	2.8	2.6399	2.7	2.5922	2.5	106.5
Norway	(NKr)	10.1142	-0.0162	071 - 212	10.1365	10.1044	10.1057	1.0	10.0887	1.0	10.0052	1.1	96.7
Portugal	(Es)	243.164	-0.339	016 - 312	243.544	243.010	243.589	-2.1	244.494	-2.2	-	-	94.8
Spain	(Pta)	199.075	-0.175	965 - 185	199.496	198.980	199.255	-1.6	199.85	-1.6	201.25	-1.1	80.5
Sweden	(SKr)	10.3733	+0.0168	621 - 844	10.3961	10.3491	10.3736	0.0	10.3737	0.0	10.3717	0.0	89.7
Switzerland	(SFr)	1.9560	-0.0068	546 - 574	1.9619	1.9545	1.951	3.1	1.9402	3.2	1.892	3.3	110.3
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	86.5
Ecu	-	1.2504	+0.0001	497 - 510	1.2520	1.2494	1.2491	1.2	1.2461	1.4	1.2326	1.4	-
SDR†	-	1.07497	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5536	+0.0023	529 - 542	1.5553	1.5508	-	-	-	-	-	-	-
Brazil	(R$)	1.5641	+0.0022	635 - 646	1.5649	1.5598	-	-	-	-	-	-	-
Canada	(C$)	2.1322	+0.006	311 - 332	2.1338	2.1213	2.1315	0.4	2.1279	0.8	2.1198	0.6	84.2
Mexico	(New Peso)	11.8885	+0.0544	785 - 940	11.8940	11.7311	-	-	-	-	-	-	-
USA	($)	1.5557	+0.0022	552 - 562	1.5582	1.5510	1.5554	0.2	1.5558	0.0	1.5609	-0.3	97.4
Pacific/Middle East/Africa													
Australia	(A$)	1.9511	+0.0044	498 - 523	1.9528	1.9419	1.9537	-1.6	1.9587	-1.6	1.984	-1.7	94.5
Hong Kong	(HK$)	12.0402	+0.0177	360 - 445	12.0448	12.0048	12.0322	0.8	12.0208	0.7	12.0008	0.3	-
India	(Rs)	55.0719	+0.3127	430 - 007	55.4060	54.7360	-	-	-	-	-	-	-
Israel	(Shk)	4.9610	+0.0335	569 - 651	4.9651	4.9274	-	-	-	-	-	-	-
Japan	(Y)	171.498	+0.419	393 - 602	171.700	171.270	170.768	5.1	169.278	5.2	162.868	5.0	132.6
Malaysia	(M$)	3.8758	+0.0051	732 - 773	3.8777	3.8656	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.2601	+0.0044	582 - 619	2.2620	2.2506	2.2661	-2.7	2.2746	-2.6	2.3064	-2.1	108.5
Philippines	(Peso)	40.7380	+0.0589	640 - 680	40.7900	40.6517	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.8348	+0.0084	325 - 370	5.8377	5.8175	-	-	-	-	-	-	-
Singapore	(S$)	2.2030	+0.0072	019 - 040	2.2040	2.1939	-	-	-	-	-	-	-
South Africa	(R)	6.7654	+0.0354	573 - 696	6.7714	6.7174	-	-	-	-	-	-	-
South Korea	(Won)	1264.01	+4.16	344 - 457	1264.60	1258.17	-	-	-	-	-	-	-
Taiwan	(T$)	42.9466	+0.1522	282 - 714	42.9747	42.8560	-	-	-	-	-	-	-
Thailand	(Bt)	39.5420	+0.061	170 - 664	39.5670	39.4340	-	-	-	-	-	-	-

† Rates for Jul 10. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jul 11		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P Morgan Index
Europe													
Austria	(Sch)	10.7090	-0.0207	065 - 114	10.7540	10.7060	10.6985	2.2	10.6475	2.3	10.464	2.3	104.8
Belgium	(BFr)	31.3800	-0.08	600 - 000	31.4800	31.3600	31.325	2.1	31.21	2.2	30.67	2.3	106.1
Denmark	(DKr)	5.8620	-0.0115	610 - 630	5.8874	5.8609	5.8545	1.5	5.8375	1.7	5.7655	1.6	108.7
Finland	(FM)	4.6490	-0.0078	457 - 523	4.6665	4.6452	4.6425	1.7	4.6305	1.6	4.585	1.4	82.9
France	(FFr)	5.1497	-0.0105	492 - 502	5.1720	5.1456	5.1428	1.8	5.1285	1.6	5.0607	1.7	108.5
Germany	(DM)	1.5217	-0.0029	214 - 220	1.5288	1.5213	1.5192	2.0	1.5136	2.2	1.4852	2.4	107.7
Greece	(Dr)	239.500	+0.075	450 - 550	240.100	239.300	241.175	-8.4	244.525	-8.4	258.5	-7.9	67.4
Ireland	(I£)	1.5957	+0.0021	952 - 962	1.5982	1.5910	1.5962	-0.4	1.5971	-0.4	1.5885	0.4	-
Italy	(L)	1532.20	-2.54	140 - 300	1536.00	1530.70	1536.95	-3.7	1545.1	-3.4	1567.85	-2.3	78.5
Luxembourg	(LFr)	31.3800	-0.08	600 - 000	31.4800	31.3600	31.327	2.0	31.2205	2.0	30.74	2.0	106.1
Netherlands	(Fl)	1.7058	-0.0024	053 - 063	1.7154	1.7074	1.7052	2.4	1.6981	2.4	1.6663	2.5	106.0
Norway	(NKr)	6.5014	-0.0192	969 - 058	6.5345	6.4980	6.4985	0.5	6.4929	0.5	6.4564	0.7	97.7
Portugal	(Es)	156.305	-0.445	260 - 350	156.810	156.260	156.62	-2.4	157.21	-2.3	159.335	-2.0	94.8
Spain	(Pta)	127.965	-0.3	950 - 980	128.470	127.940	128.215	-2.3	128.645	-2.1	130.185	-1.7	80.2
Sweden	(SKr)	6.6679	+0.0071	629 - 729	6.6946	6.6626	6.679	-2.0	6.6964	-1.7	6.7364	-1.1	89.4
Switzerland	(SFr)	1.2573	-0.0053	568 - 578	1.2640	1.2565	1.2536	3.4	1.2463	3.5	1.2128	3.5	109.5
UK	(£)	1.5557	+0.0022	552 - 562	1.5582	1.5510	1.5554	0.2	1.5558	0.0	1.5603	-0.3	86.0
Ecu	-	1.2443	+0.0016	440 - 446	1.2447	1.2403	1.246	-0.7	1.2467	-0.8	1.2555	-0.9	-
SDR†	-	0.69357	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9986	-	985 - 987	0.9989	0.9985	-	-	-	-	-	-	-
Brazil	(R$)	1.0054	-0.0001	052 - 056	1.0055	1.0052	-	-	-	-	-	-	-
Canada	(C$)	1.3706	+0.0019	703 - 708	1.3708	1.3670	1.3704	0.1	1.3707	0.0	1.3735	-0.2	83.6
Mexico	(New Peso)	7.6405	+0.024	350 - 450	7.6450	7.6360	7.802	-25.4	7.997	-18.1	8.7505	-27.8	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	98.3
Pacific/Middle East/Africa													
Australia	(A$)	1.2541	+0.001	536 - 545	1.2545	1.2536	1.2581	-1.9	1.2596	-1.8	1.2783	-1.9	98.1
Hong Kong	(HK$)	7.7395	+0.0002	392 - 397	7.7397	7.7380	7.7402	-0.1	7.742	-0.1	7.769	-0.4	-
India	(Rs)	35.4000	+0.15	000 - 000	35.8000	35.3000	35.55	-5.1	35.865	-5.1	37.325	-5.4	-
Israel	(Shk)	3.1889	+0.0165	873 - 905	3.1948	3.1755	-	-	-	-	-	-	-
Japan	(Y)	110.235	+0.11	200 - 270	110.560	110.200	109.79	4.8	108.89	4.9	105.15	4.6	133.3
Malaysia	(M$)	2.4910	-0.0003	905 - 915	2.4925	2.4905	2.4919	-0.4	2.498	-1.1	2.5215	-1.2	-
New Zealand	(NZ$)	1.4528	+0.0006	520 - 535	1.4595	1.4520	1.4557	-2.5	1.4615	-2.5	1.4861	-2.3	-
Philippines	(Peso)	26.1850	-	600 - 100	26.2100	26.1600	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7506	-	503 - 508	3.7508	3.7502	3.751	-0.1	3.7517	-0.1	3.7551	-0.1	-
Singapore	(S$)	1.4161	+0.0026	156 - 163	1.4165	1.4142	1.4125	3.0	1.4065	2.7	1.3811	2.5	-
South Africa	(R)	4.3475	+0.0165	450 - 500	4.3500	4.3315	4.396	-15.1	4.485	-12.7	4.8225	-10.9	-
South Korea	(Won)	812.500	+1.5	400 - 600	812.600	811.900	-	-	-	-	-	-	-
Taiwan	(T$)	27.6080	+0.028	030 - 130	27.6260	27.5700	27.618	-0.2	27.618	-0.1	-	-	-
Thailand	(Bt)	25.4175	+0.0025	100 - 250	25.4250	25.4090	25.5162	-4.7	25.72	-4.8	26.6025	-4.7	-

† SDR rate per $ for Jul 10. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Jul 10: Base average 1990=100.

WORLD INTEREST RATES

MONEY RATES

July 11	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	3¼	3¼	3⅜	3⅜	3½	7.00	2.50	-
week ago	3¼	3¼	3⅜	3⅜	3½	7.00	2.50	-
France	3⅝	3⅝	3¾	3⅞	4¼	3.55	-	5.60
week ago	3⅝	3¾	3¾	3⅞	4⅛	3.60	-	5.60
Germany	3⅜	3¼	3⅜	3⅜	3⅝	4.50	2.50	3.30
week ago	3⅜	3¼	3⅜	3⅜	3⅝	4.50	2.50	3.30
Ireland	5¾	5⅝	5½	5⅝	5¾	-	-	6.25
week ago	5¾	5⅝	5⅝	5¾	5⅝	-	-	6.25
Italy	10⅛	9⅛	8⅞	8⅝	8½	-	9.00	9.30
week ago	9⅜	9⅛	8⅞	8⅝	8½	-	9.00	9.30
Netherlands	3¼	3⅛	3⅛	3⅛	3¼	-	3.00	3.30
week ago	2⅞	3⅛	2⅞	3⅛	3¼	-	3.00	3.30
Switzerland	2	2⅛	2⅛	2⅜	2⅝	5.00	1.50	-
week ago	2½	2⅜	2⅜	2⅝	2⅝	5.00	1.50	-
US	5⅜	5⅜	5⅝	5⅞	6¼	-	5.00	-
week ago	5⅜	5⅜	5½	5⅞	6¼	-	5.00	-
Japan	⅜	½	½	⅝	1⅛	-	0.50	-
week ago	½	½	½	⅝	⅞	-	0.50	-
■ $ LIBOR FT London								
Interbank Fixing	-	5½	5⅝	5⅞	6¼	-	-	-
week ago	-	5½	5⅝	5⅞	6⅜	-	-	-
US Dollar CDs	-	5.20	5.35	5.53	5.93	-	-	-
week ago	-	5.20	5.27	5.42	5.74	-	-	-
ECU Linked Ds	-	4¼	4⅛	4⅛	4⅛	-	-	-
week ago	-	4¼	4⅛	4⅛	4⅛	-	-	-
SDR Linked Ds	-	3⅝	3⅝	3¾	3¾	-	-	-
week ago	-	3⅝	3⅝	3¾	3¾	-	-	-

$ LIBOR Interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Jul 11	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3¼ - 3⅛	3⅜ - 3¼	3⅜ - 3¼	3½ - 3⅜	3⅝ - 3½	3¾ - 3⅝
Danish Krone	4⅛ - 3⅞	3⅞ - 3¾	3⅞ - 3¾	3⅞ - 3¾	4⅛ - 3⅞	4⅜ - 4¼
D-Mark	3⅜ - 3¼	3⅜ - 3¼	3⅜ - 3¼	3⅜ - 3¼	3½ - 3⅜	3¾ - 3⅝
Dutch Guilder	3¼ - 3⅛	3⅛ - 3	3⅛ - 3	3¼ - 3⅛	3⅜ - 3¼	3⅝ - 3½
French Franc	3⅞ - 3¾	3¾ - 3⅝	3⅞ - 3¾	3⅞ - 3¾	4 - 3⅞	4⅜ - 4¼
Portuguese Esc.	7½ - 7⅜	7½ - 7⅜	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼	7⅜ - 7¼
Spanish Peseta	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½	7½ - 7⅜	7½ - 7⅜
Sterling	5¾ - 5⅝	5¾ - 5⅝	5¾ - 5⅝	5⅞ - 5¾	5⅞ - 5¾	6⅛ - 6
Swiss Franc	2 - 1⅞	2¼ - 2⅛	2⅜ - 2¼	2½ - 2⅜	2⅝ - 2½	3 - 2⅞
Can. Dollar	4⅞ - 4¾	4¾ - 4⅝	4¾ - 4⅝	4⅞ - 4¾	5⅛ - 5	5⅝ - 5½
US Dollar	5⅜ - 5¼	5¼ - 5	5½ - 5⅜	5⅝ - 5½	6 - 5⅞	6¼ - 6⅛
Italian Lira	10⅛ - 10	9⅝ - 9½	9⅛ - 9	8¾ - 8⅝	8⅝ - 8½	8½ - 8⅜
Yen	⅜ - ¼	½ - ⅜	½ - ⅜	⅝ - ½	¾ - ⅝	1 - ⅞
Asian $Sing	3⅛ - 3	3⅛ - 3	3⅛ - 3	3⅜ - 3¼	3⅜ - 3¼	3⅜ - 3¼

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris Interbank offered rate (FFr 5m)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	96.02	96.02	-	96.04	95.99	15,441	70,080
Dec	95.84	95.83	-	95.85	95.80	7,812	45,078
Mar	95.57	95.58	+0.01	95.59	95.56	3,122	26,132

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	96.56	96.60	+0.05	96.60	96.54	34598	195022
Dec	96.36	96.41	+0.05	96.44	96.34	62633	212286
Mar	96.04	96.09	+0.06	96.10	95.99	34542	184341
Jun	95.65	95.72	+0.07	95.72	95.61	17926	111436

■ THREE MONTH EUROLIRA FUTURES (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	91.71	91.70	-	91.72	91.66	13874	59517
Dec	92.16	92.16	+0.02	92.18	92.13	5834	35530
Mar	92.31	92.34	+0.03	92.35	92.30	3123	22095
Jun	92.32	92.35	+0.05	92.36	92.31	982	12028

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	97.31	97.32	+0.03	97.34	97.26	7106	37624
Dec	97.12	97.12	+0.02	97.14	97.07	2541	22484
Mar	96.91	96.90	+0.02	96.92	96.85	795	9244
Jun	96.61	96.65	+0.02	96.65	96.61	105	1599

■ THREE MONTH EUROYEN FUTURES (LIFFE) Y100m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	99.14	99.15	+0.02	99.14	99.14	58	n/a
Dec	98.76	98.76	+0.01	98.76	98.76	500	n/a
Mar	-	98.46	+0.02	-	-	0	n/a

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	95.55	95.58	+0.02	95.58	95.54	833	7779
Dec	95.41	95.45	+0.03	95.45	95.40	554	5187
Mar	95.18	95.22	+0.03	95.22	95.17	150	3241
Jun	94.91	94.92	+0.03	94.95	94.89	61	2349

* LIFFE futures also traded on APT

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jul 11		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.68	16.41	4.848	1.997	4883	5.444	20.71	498.2	407.8	21.24	4.007	2.048	4.367	3.187	351.3	2.562
Denmark	(DKr)	53.53	10	8.784	2.595	1.069	2614	2.914	11.09	266.7	218.3	11.37	2.145	1.096	2.338	1.706	188.0	1.372
France	(FFr)	60.94	11.38	10	2.955	1.217	2976	3.318	12.62	303.6	248.5	12.94	2.442	1.248	2.661	1.942	214.1	1.562
Germany	(DM)	20.63	3.853	3.384	1	0.412	1007	1.123	4.271	102.7	84.11	4.381	0.826	0.422	0.901	0.657	72.45	0.529
Ireland	(I£)	50.07	9.354	8.216	2.428	1	2445	2.726	10.37	249.4	204.2	10.64	2.006	1.026	2.187	1.596	175.9	1.283
Italy	(L)	2.048	0.383	0.336	0.099	0.041	100.	0.111	0.424	10.20	8.352	0.435	0.082	0.042	0.089	0.065	7.194	0.052
Netherlands	(Fl)	18.37	3.431	3.014	0.891	0.367	896.9	1	3.804	91.50	74.91	3.901	0.736	0.376	0.802	0.585	64.52	0.471
Norway	(NKr)	48.29	9.021	7.924	2.341	0.964	2358	2.629	10	240.6	196.9	10.26	1.935	0.989	2.109	1.539	169.6	1.237
Portugal	(Es)	20.07	3.750	3.294	0.973	0.401	980.3	1.093	4.157	100.	81.87	4.264	0.804	0.411	0.877	0.640	70.52	0.514
Spain	(Pta)	24.52	4.581	4.024	1.189	0.490	1197	1.335	5.078	122.1	100.	5.208	0.982	0.502	1.071	0.782	86.14	0.628
Sweden	(SKr)	47.08	8.795	7.725	2.283	0.940	2298	2.563	9.749	234.5	192.0	10	1.886	0.964	2.056	1.500	165.4	1.206
Switzerland	(SFr)	24.96	4.663	4.096	1.210	0.498	1219	1.359	5.169	124.3	101.8	5.302	1	0.511	1.090	0.796	87.68	0.640
UK	(£)	48.82	9.120	8.011	2.367	0.975	2384	2.658	10.11	243.2	199.1	10.37	1.956	1	2.132	1.556	171.5	1.251
Canada	(C$)	22.90	4.278	3.758	1.110	0.457	1118	1.247	4.742	114.1	93.39	4.864	0.917	0.469	1	0.730	80.44	0.587
US	($)	31.38	5.861	5.148	1.521	0.627	1532	1.708	6.497	156.3	128.0	6.665	1.257	0.643	1.370	1	110.2	0.804
Japan	(Y)	28.47	5.318	4.671	1.380	0.569	1390	1.550	5.895	141.8	116.1	6.047	1.141	0.583	1.243	0.907	100.	0.729
Ecu		39.02	7.290	6.404	1.892	0.779	1906	2.125	8.082	194.4	159.2	8.289	1.564	0.799	1.704	1.244	137.1	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.6582	0.6579	-0.0004	0.6583	0.6569	7,779	53,363
Dec	0.6620	0.6618	-0.0006	0.6620	0.6618	176	2,218
Mar	-	0.6665	-	-	-	23	311

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.7961	0.7971	+0.0009	0.7976	0.7948	5,703	36,190
Dec	0.8035	0.8031	+0.0009	0.8035	0.8031	105	1,274
Mar	-	0.8087	-	-	-	37	85

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.9158	0.9146	-0.0013	0.9158	0.9126	9,848	78,949
Dec	0.9245	0.9264	-0.0012	0.9265	0.9245	321	3,917
Mar	-	0.9398	-	-	-	32	135

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	1.5520	1.5534	+0.0008	1.5550	1.5508	7,786	58,834
Dec	-	1.5550	+0.0010	1.5560	-	4	1,069
Mar	-	1.5570	+0.0010	1.5580	-	1	8

UK INTEREST RATES

LONDON MONEY RATES

Jul 11	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	6⅛ - 5½	5⅞ - 5¾	5¾ - 5⅝	5¾ - 5⅝	5¾ - 5⅝	6 - 5⅞
Sterling CDs	-	-	5¾ - 5⅝	5¾ - 5⅝	5⅞ - 5¾	6⅛ - 6
Treasury Bills	-	-	5⅝ - 5½	5⅝ - 5½	-	-
Bank Bills	-	-	5⅝ - 5½	5⅝ - 5½	5⅝ - 5½	-
Local authority deps.	5¾ - 5⅝	5¾ - 5⅝	5¾ - 5⅝	5¾ - 5⅝	5¾ - 5⅝	6 - 5⅞
Discount Market deps	5⅞ - 5¾	5¾ - 5⅝	-	-	-	-

UK clearing bank base lending rate 5¾ per cent from June 6, 1996

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2½	5½	5	5	4¾

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1½pc.
Ave. tender rate of discount on Jul 5, 5.4917pc. ECGD fixed rate Stg. Export Finance. Make up day Jun 28, 1996. Agreed rate for period Jul 24, 1996 to Aug 25, 1996, Schemes II & III 7.20pc. Reference rate for period Jun 1, 1996 to Jun 28, 1996, Schemes IV & V 5.935pc. Finance House Base Rate 6pc from Jul 1, 1996

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	94.31	94.30	-0.01	94.31	94.29	12235	87527
Dec	94.23	94.21	-0.02	94.23	94.19	18099	90586
Mar	93.93	93.92	-0.01	93.94	93.89	8749	62980
Jun	93.48	93.48	-	93.50	93.46	7073	45105
Sep	93.05	93.05	-	93.07	93.03	2475	29860

Also traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Sep	CALLS Dec	CALLS Mar	PUTS Sep	PUTS Dec	PUTS Mar
9425	0.12	0.18	0.17	0.07	0.22	0.50
9450	0.03	0.07	0.09	0.23	0.36	0.67
9475	0.01	0.03	0.05	0.46	0.57	0.88

Est. vol. total, Calls 3201 Puts 703. Previous day's open int., Calls 124744 Puts 104969

EMS EUROPEAN CURRENCY UNIT RATES

Jul 11	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Spain	162.493	161.126	+0.041	-0.84	2.16	6
Ireland	0.792214	0.787620	-0.002093	-0.58	1.90	4
Netherlands	2.15214	2.15049	+0.0016	-0.08	1.38	1
Belgium	39.3960	39.4813	+0.0299	0.22	1.09	-2
Germany	1.91007	1.91609	+0.00116	0.32	0.99	-3
Austria	13.4383	13.4850	+0.0089	0.35	0.95	-3
Portugal	195.792	196.744	-0.064	0.49	0.81	-3
France	6.40608	6.48323	-0.00036	1.20	0.10	-10
Denmark	7.28580	7.38088	+0.00327	1.31	0.00	-9
NON ERM MEMBERS						
Greece	292.867	301.061	+0.164	2.80	-1.45	-
Italy	2106.15	1928.42	+0.3	-8.44	10.64	-
UK	0.786652	0.807893	-0.002499	2.70	-1.36	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Jul	CALLS Aug	CALLS Sep	PUTS Jul	PUTS Aug	PUTS Sep
1.520	3.05	3.18	3.40	0.03	0.10	0.32
1.530	2.10	2.40	-	0.03	0.27	0.56
1.540	1.11	1.68	2.02	0.05	0.54	0.88
1.550	0.31	1.08	1.45	0.14	0.94	1.31
1.560	0.08	0.64	1.00	0.81	1.50	1.86

Previous day's vol., Calls 8,043 Puts 5,703 . Prev. day's open int., Calls 157,575 Puts 132,137

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	94.12	94.10	-0.01	94.14	94.08	72,083	404,603
Dec	93.81	93.78	-0.02	93.82	93.76	107,117	437,052
Mar	93.64	93.61	-0.02	93.66	93.58	93,068	294,335

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	94.61	94.62	+0.01	94.62	94.61	250	5,909
Dec	94.37	94.37	-0.03	94.37	94.37	209	1,439
Mar	-	94.19	-	-	-	38	184

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Jul	CALLS Aug	CALLS Sep	CALLS Dec	PUTS Jul	PUTS Aug	PUTS Sep	PUTS Dec
9650	0.11	0.12	0.14	0.11	0.01	0.02	0.04	0.20
9675	0.01	0.01	0.03	0.04	0.16	0.16	0.18	0.38
9700	0	0	0	0.01	0.40	0.40	0.40	0.60

Est. vol. total, Calls 11255 Puts 4919. Previous day's open int., Calls 284496 Puts 303579

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Sep	CALLS Dec	CALLS Mar	PUTS Sep	PUTS Dec	PUTS Mar
9750	0.06	0.07	0.09	0.24	0.45	0.68
9775	0.01	0.03	0.04	0.44	0.66	0.89

Est. vol. total, Calls 0 Puts 9. Previous day's open int., Calls 9160 Puts 4925

■ EUROLIRA OPTIONS (LIFFE) L1000m points of 100%

Strike Price	CALLS Sep	CALLS Dec	CALLS Mar	PUTS Sep	PUTS Dec	PUTS Mar
9150	0.32	0.80	1.04	0.12	0.14	0.20
9175	0.20	0.62	0.85	0.25	0.21	0.26
9200	0.11	0.47	0.68	0.41	0.31	0.34

Est. vol. total, Calls 505 Puts 3200. Previous day's open int., Calls 42338 Puts 20608

BASE LENDING RATES

	%
Adam & Company	5.75
Allied Trust Bank	5.75
AIB Bank	5.75
●Henry Ansbacher	5.75
Bank of Baroda	5.75
Banco Bilbao Vizcaya	5.75
Bank of Cyprus	5.75
Bank of Ireland	5.75
Bank of India	5.75
Bank of Scotland	5.75
Barclays Bank	5.75
Brit Bk of Mid East	5.75
●Brown Shipley & Co Ltd	5.75
Citibank NA	5.75
Clydesdale Bank	5.75
The Co-operative Bank	5.75
Coutts & Co	5.75
Credit Lyonnais	5.75
Cyprus Popular Bank	5.75
Duncan Lawrie	5.75
Exeter Bank Limited	6.75
Financial & Gen Bank	7.00
●Robert Fleming & Co	5.75
Girobank	5.75
●Guinness Mahon	5.75
Habib Bank AG Zurich	5.75
●Hambros Bank	5.75
Heritable & Gen Inv Bk.	5.75
●Hill Samuel	5.75
C. Hoare & Co	5.75
Hongkong & Shanghai.	5.75
Julian Hodge Bank	5.75
●Leopold Joseph & Sons	5.75
Lloyds Bank	5.75
Meghraj Bank Ltd	5.75
Midland Bank	5.75
* Mount Credit Corp	6.00
NatWestminster	5.75
●Rea Brothers	5.75
Royal Bk of Scotland	5.75
●Singer & Friedlander	5.75
●Smith & Williamson Secs.	5.75
Scottish Widows Bank	5.75
TSB	5.75
United Bank of Kuwait	5.75
Unity Trust Bank Plc	5.75
Western Trust	5.75
Whiteaway Laidlaw	5.75
Yorkshire Bank	5.75

● Members of London Investment Banking Association
* In administration

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 12.07.96: Pool purchase price £/MWh	Final Prices for Trading on 14.06.96: Pool purchase price £/MWh	Final Prices for Trading on 14.06.96: Pool selling price £/MWh
0030	12.22	16.09	17.55
0100	8.92	8.93	10.40
0130	8.92	8.93	10.40
0200	8.92	8.93	10.40
0230	8.92	8.93	10.40
0300	8.92	8.93	10.40
0330	8.92	8.93	10.40
0400	8.92	8.93	10.40
0430	8.92	8.93	10.40
0500	8.92	8.93	10.40
0530	8.95	8.92	8.92
0600	11.67	8.93	8.93
0630	11.87	8.93	8.93
0700	15.82	16.53	18.10
0730	17.94	18.92	20.56
0800	16.92	21.46	23.93
0830	19.53	25.91	29.82
0900	22.88	35.17	40.45
0930	26.17	45.00	51.81
1000	29.29	60.99	68.46
1030	29.82	60.36	67.70
1100	30.27	46.45	53.77
1130	31.54	48.67	56.40
1200	35.27	50.28	58.27
1230	44.45	59.08	65.97
1300	41.07	38.33	44.67
1330	23.51	29.05	32.75
1400	20.86	23.80	26.71
1430	18.41	21.29	23.80
1500	18.88	20.30	22.55
1530	17.81	19.64	21.73
1600	17.74	19.64	21.74
1630	17.81	20.20	22.47
1700	17.88	20.23	22.60
1730	34.62	19.58	21.64
1800	34.42	18.44	20.18
1830	16.91	17.50	19.04
1900	16.56	17.06	18.56
1930	16.65	17.06	18.53
2000	16.88	16.94	18.41
2030	16.65	16.94	18.41
2100	16.48	16.94	18.41
2130	19.57	19.57	21.04
2200	28.22	20.29	21.76
2230	28.22	20.29	21.78
2300	28.22	20.29	21.78
2330	18.46	16.69	18.16
2400	16.06	11.92	13.39

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.88/MWh becomes 1.688p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0115 945 6789 between 9.00am and 5.15pm Monday to Friday.
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Fischler may reveal meat market plan next week

By Neil Buckley in Brussels
and Deborah Hargreaves
in London

Mr Franz Fischler, the European Union agriculture commissioner, may unveil as early as next week his plans to curb beef production and rebalance the European beef market in the wake of the "mad cow disease" crisis.

Although ministers had given Mr Fischler until September to present the plans, the commissioner is keen to publish them before the commission's August recess, so that action can be taken quickly in the autumn. He warned this week that "urgent measures" were needed to rebalance supply and demand – with beef consumption down 11 per cent since the mad cow crisis began – to safeguard the jobs of millions of producer.

Several adjustments to the market are understood to be under discussion, although the final shape of the plans is still to be decided. Measures include raising premiums paid for calves sent to slaughter, and reducing the weight limits for cattle bought into intervention – in other words, to support the market – by the European Commission.

Another plan already proposed as part of this year's reform of beef pricing includes abolishing the second of the two premiums, or subsidies, that farmers receive on cattle, and increasing the first premium. That might persuade farmers to slaughter cattle at a younger age, so reducing slaughter weights.

Officials are also looking at stocking rates, or the number of cattle per hectare on which farmers are entitled to receive premiums.

Costs of the programme have yet to be determined, but the commission has repeatedly warned that no further funding for the beef market is available from this year's budget. Officials say the programme may have to be funded by reducing subsidies to arable farmers.

EU ministers have already complained that arable subsidies are too high, as the anticipated price cuts they were designed to compensate for have not occurred.

If Mr Fischler's plans were published next week, they could be given a first reading by EU agriculture ministers at a meeting scheduled for July 22. But the European Parliament must give an opinion before they can be voted on by ministers – likely to postpone a vote until September.

The crisis over bovine spongiform encephalopathy will slash farm incomes in the EU by Ecu2.1bn or 3.6 per cent next year, according to a report by Produce Studies Group, a food consultancy. This wipes out much of the 4.6 per cent jump in earnings that occurred from 1994 to 1995.

"Clearly, some farms are suffering a disastrous income loss such as specialist mature beef herds in the UK and beef lots in Italy," said Mr Tony Houghton, director of Produce Studies. Other producers such as pig farmers were benefiting from a rise in demand and prices, but, overall, the farming industry would suffer a net loss, Mr Houghton said.

The drop in incomes is expected to result from a 1.1m decline in beef consumption next year compared with 1995. In a report to be released on July 24, the group estimates that pigmeat demand will rise by 743,800 tonnes next year and poultry by 334,700 tonnes or 216m birds as consumers switch from beef.

Mr Houghton estimates that, over the medium term, beef consumption will be 20 per cent lower in Germany and Italy and by 2000, it will be 10 per cent lower than in 1995.

The UK will see demand for beef recovering from 10 per cent down on 1995 to 5 per cent down by 2000 with all other EU countries seeing consumption 7.5 per cent lower in 2000 than last year. The EU cattle population is expected to fall by 1.7m animals by 2000. France is expected to see the biggest drop in its cattle production with beef output declining by 56,000 tonnes by 2000.

However, the drop in production is unlikely to keep up with the decline in beef demand, leading to a continued build up of stocks in EU intervention stores. Mr Fischler, warned this week that the BSE crisis was likely to lead to stocks of 600,000 tonnes in intervention stores by the end of the year.

The EU has a limit on the amount of subsidised beef it can offload on world markets imposed by the General Agreement on Tariffs and Trade, making it difficult for the EU to dispose of stocks. This limit is set at 1m tonnes for this year, falling to 823,000 tonnes by 2000, making it crucial for the EU to cut beef production.

EU Meat Markets Beyond the Scare: The Medium Term – From Produce Studies, Northcroft House, West Street, Newbury Berks. RG14 1HD. Tel. 44 (0) 1635 46112

Mouse 'plague' threatens Australian crops

Australia could face a mouse plague if steps are not taken to stem a recent build-up in the pests, Mr Xavier Martin, chairman of the New South Wales Farmers' Association's grains committee, warned yesterday, reports Reuters from Sydney.

Fast, efficient and safe control of mice was possible with strychnine, he said. But farmers should be looking at prevention in the first instance, perhaps by using perimeter baits. Farmers could not stand by and watch their first major crop in years be decimated, he added.

Soyabean futures prices soar in Chicago

By Laurie Morse in Chicago

Soyabean futures prices soared on the Chicago Board of Trade yesterday, extending a four-day rally, as traders considered the prospects for the US's freshly-planted soyabean crop.

The beans, used principally to supply vegetable oil, with the remaining meal supplying high-protein feed for beef and pigs, are a critical factor in rebuilding US grain stocks this year.

CBoT traders pushed prices higher as meteorologists scaled back their outlook for weekend rains in the eastern corn (maize) belt, where the bulk of the nation's soyabeans are grown.

"The eastern corn belt has had below-normal precipitation, and the forecasts for this weekend are dry," said Mr Paul Matthews, grains analyst for the brokerage firm, Refco. With late-planted soyabeans just emerging, traders believe that unseasonal dryness could trim yields.

Talk that China had purchased between 100,000 and 200,000 tonnes of US soyabeans for shipment in August and was also in the market for soyabean meal gave further support to prices, although traders said the rumours, which had not been confirmed, had been circulating in the grain pits for several days, diminishing their impact yesterday.

Prices for soyabeans for November, the first new crop, delivery were up 60 cents per bushel for the week by midday, touching $7.87½ a bushel, and after easing back early in the afternoon they rallied to settle at that level, up the permissible 30 cents daily limit from Wednesday's close.

"The next three weeks are a critical development period for soyabeans," said Mr Dale Gustafson, Smith Barney's commodity analyst. With stocks of other feedgrains, particularly maize, critically short, the markets are unusually concerned with the progress of the new crop. "We're counting heavily on big recoveries in production this year, and we need everything to go right with the new crop," Mr Gustafson said, "So far, very little has gone right."

Analysts said today's US Department of Agriculture crop production report is expected to show only small adjustments to the government's June estimates of acreage planted to maize and soyabeans and should not have a major impact on market sentiment.

- CBoT maize and wheat futures were also strong yesterday with the former gaining 12 cents at $4.21¼ a bushel and the latter 15 cents to $5.07.

Tribal violence stalls Indian gas search

Kunal Bose reports on exploration and production problems in the state of Tripura

Tribal violence in the north-east Indian state of Tripura is seriously hindering efforts to develop the region's gas resources. The Oil and Natural Gas Commission, India's largest hydrocarbons group, wants to drill new gas wells but it is finding it difficult even to produce gas from many of its existing facilities in the face of sustained violent campaign by the tribal insurgent groups.

The ONGC, which has discovered the country's second largest non-associated gas reserve in Tripura and invested over Rs6.2bn ($170m) there, is not venturing into areas where the writs of All Tripura Tiger Force and the National Liberation Front of Tripura run.

"The law and order situation has deteriorated in the last few years," says Mr Kharak Singh, general manager of ONGC. "Two of our officers were kidnapped in July 1995 near the drilling site at Adab and then again in an ambush at Agartala Dome, close to the state capital, six security people were killed. Besides threat and violence, the insurgents are resorting to large-scale stealing of materials from the work sites. Even then, we are not thinking of pulling out of the state."

Although the state government has stepped up security for ONGC staff the company has suspended drilling in a number of places, including Baramura, the most promising gas-bearing structure identified so far, Khobal, Langai and Langtarai. "We have identified 21 new locations for drilling at Baramura. But we are in no position to start the work," says Mr Singh. Still more disturbing, perhaps, is that of the 12 gas-yielding wells at Baramura, ONGC is able to pump from only three.

'We have identified 21 new locations for drilling at Baramura. But we are in no position to start the work'

The widespread insurgency in tribe-dominated areas has forced the ONGC to confine its work to parts of western and southern Tripura. Mr V. Thulasidas, chief secretary, says over 30 per cent of the state's population of 2.75m are tribals.

"The per capita income of the people in Tripura is less than Rs4,500 against over Rs10,000 for the country," he says. "The tribals are not demanding an independent country and they have never said that the exploration of gas, which happens to be the state's most important mineral resource, should be stopped. It would be wrong to see the Tripura insurgency as merely a law and order problem. Insurgency has to be contained mainly through social and economic upliftment of the tribals. ONGC has an important role to play in the state's development."

But while the insurgent groups are in a position to ask the ONGC to pay a huge amount as income-tax and take out licences for exploration and drilling work, the state's most important resource cannot be exploited fully. ONGC's geological surveys have established 14 anticlinal structures and one subsurface domal feature as prospective fields.

Mr Singh says that the ONGC had so far drilled 80 wells in seven of the 15 identified prospects – 41 turned out to be gas-bearing and 35 wells were dry. The status of four other wells is yet to be established. "Drilling of the wells has established gas reserve of 28.82bn cubic metres and a net recoverable reserve of 15.01bn cu m," says Mr Singh. "Our rate of success in striking gas in Tripura is the highest in the country. The wells in Rokhia, Baramura and Agartala Dome have a capacity to produce 1.9m cu m a day."

In that expectation that the state will be able to contain the insurgency the ONGC is planning to step up investment in Tripura to Rs3bn during India's ninth five-year plan beginning April 1, 1997 from Rs2.25bn in the current plan period. "We will take up 28 wells for exploration and development during the ninth plan. But what must simultaneously be done is to develop industries based on gas," says Mr Singh.

The federal government wants other agencies besides the ONGC to be involved in gas exploration and production in Tripura. It has invited international bids for areas including Jampai, Sakhan, south of Harargani, Langtarai, parts of Tulamura and parts of Aatharmura. Many foreign and Indian companies will be interested in prospecting gas in Tripura provided there are large takers for gas.

Whatever gas is now produced in Tripura is used for generating power. The state's power requirement is limited, however, and as India still does not have a national grid, the surplus power cannot be transferred to other regions. Mr Thulasidas says that the state is keen that "investors from outside should come here to set up nitrogenous fertiliser plants using gas as the feedstock. There is a big market for fertiliser in the seven north-eastern states. Transporting fertiliser from here to to north Bengal and Bihar should not be a problem. The nutrient can also be exported to Bangladesh." According to Mr Singh, gas can also be used to make middle distillates like diesel, pharmaceutical wax and methanol.

Industry officials said that the Tripura government should try to convince the local people, particularly the tribals, that as only a portion of gas can be used locally, it should be evacuated to West Bengal through a pipeline running across Bangladesh. The state would thereby make good revenue by way of royalties and sales taxes, which could be used for developmental work.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1432.5-33.5	1458-59
Previous	1466-67	1503-04
High/low	1450	1484/1460
AM Official	1449-50	1487-87.5
Kerb close		1460-61
Open int.	240,471	
Total daily turnover	44,740	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1210-20	1250-55
Previous	1240-45	1276-80
High/low		1267/1250
AM Official	1228-30	1262-67
Kerb close		1250-[illegible]
Open int.	5,428	
Total daily turnover	1,406	

■ LEAD ($ per tonne)

Close	780-1	783-4
Previous	790-4	794-5
High/low		791/783
AM Official	783.5-85.0	784-85
Kerb close		784-85
Open int.	31,800	
Total daily turnover	7,160	

■ NICKEL ($ per tonne)

Close	7215-25	7325-30
Previous	7405-15	7520-25
High/low	7170	7440/7250
AM Official	7189-90	7285-90
Kerb close		7330-40
Open int.	41,883	
Total daily turnover	15,154	

■ TIN ($ per tonne)

Close	6275-85	6320-25
Previous	6320-30	6365-70
High/low		6350/6300
AM Official	6270-80	6305-10
Kerb close		6300-305
Open int.	18,834	
Total daily turnover	2,842	

■ ZINC, special high grade ($ per tonne)

Close	993.5-94.5	1021-21.5
Previous	998-99	1026-27
High/low	1002/991	1023/1018
AM Official	990-90.5	1018-19
Kerb close		1020-21
Open int.	69,398	
Total daily turnover	16,024	

■ COPPER, grade A ($ per tonne)

Close	1907-12	1854-55
Previous	1985-90	1923-24
High/low		1905/1848
AM Official	1933-38	1876-79
Kerb close		1855-57
Open int.	201,578	
Total daily turnover	53,422	

■ LME AM Official £/$ rate: 1.5540
LME Closing £/$ rate: 1.5558

Spot: 1.5565 3 mths: 1.5554 6 mths: 1.5568 9 mths: 1.5585

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
Jul	88.25	-2.40	90.10	88.00	701	3,805
Aug	88.10	-2.10	89.40	87.90	52	2,187
Sep	87.30	-2.40	90.30	86.50	3,383	19,294
Oct	86.70	-2.60	-	-	5	1,281
Nov	86.70	-2.40	-	-	2	1,088
Dec	86.60	-2.15	88.10	86.00	645	12,033
Total					5,237	88,226

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	383.00-383.40		
Opening	382.30-382.70		
Morning fix	382.60	246.218	482.333
Afternoon fix	382.70	246.204	482.470
Day's High	384.00-384.40		
Day's Low	382.20-382.60		
Previous close	382.90-383.20		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month ....4.30 6 months 4.05
2 months ....4.19 12 months 4.01
3 months 4.16

Silver Fix	p/troy oz.	US cts equiv.
Spot	327.80	509.75
3 months	332.20	516.35
6 months	336.65	522.90
1 year	344.70	537.40

Gold Coins	$ price	£ equiv.
Krugerrand	382.5-385.5	246-248
Maple Leaf	392.15-394.65	
New Sovereign	87-89	56-57

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Jul	384.0	+1.4	-	-	-	-
Aug	384.6	+1.2	385.2	383.4	28,256	88,741
Oct	387.3	+1.2	387.8	386.3	322	7,583
Dec	389.9	+1.2	390.5	388.9	1,128	40,596
Feb	392.5	+1.2	391.8	391.8	621	8,646
Apr	395.0	+1.1	395.0	394.8	20	-
Total					36,664	197,998

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Jul	391.0	-	392.0	392.0	6	367
Oct	394.9	-	395.5	394.1	1,504	21,355
Jan	397.6	-	398.1	397.5	53	2,826
Apr	400.3	-	401.0	399.5	231	2,242
Jul	403.3	-0.2	404.0	404.0	2	84
Total					1,794	26,844

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Sep	132.25	-0.70	132.75	132.00	258	6,777
Dec	133.25	-0.70	136.00	134.50	12	989
Mar	134.25	-0.70	-	-	-	12
Jun	135.30	-0.70	136.00	136.00	-	107
Total					118	7,885

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

Jul	509.8	+3.3	510.0	506.0	63	165
Aug	511.6	+3.0	-	-	-	-
Sep	514.5	+3.0	516.0	510.0	12,665	57,518
Dec	522.8	+3.0	524.5	519.0	483	22,402
Mar	531.2	+3.0	532.0	528.5	133	6,238
May	536.5	+3.0	-	-	7	5,412
Total					13,362	98,378

ENERGY

■ CRUDE OIL NYMEX (1,000 barrels, $/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Aug	21.77	+0.22	21.98	21.53	32,394	82,043
Sep	21.05	+0.20	21.20	20.84	21,293	51,623
Oct	20.42	+0.19	20.51	20.21	6,369	37,559
Nov	19.86	+0.11	19.96	19.72	1,624	24,930
Dec	19.50	+0.08	19.57	19.35	3,266	30,897
Jan	19.18	+0.01	19.27	19.14	1,689	23,005
Total					71,906	378,896

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Aug	19.33	-0.31	20.01	19.64	13,581	27,359
Sep	19.36	+0.27	19.49	19.13	10,386	69,174
Oct	18.91	+0.16	19.01	18.72	1,812	24,959
Nov	18.57	+0.28	18.60	18.38	943	7,971
Dec	18.26	+0.28	18.28	17.99	1,563	14,698
Jan	17.95	+0.24	17.99	17.80	847	11,193
Total					30,646	172,494

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Aug	56.30	+0.71	56.80	55.60	9,885	31,573
Sep	56.50	+0.57	56.95	56.00	5,060	15,892
Oct	56.75	+0.47	57.30	56.40	759	6,754
Nov	57.15	+0.52	57.40	56.75	1,422	6,122
Dec	57.50	+0.52	57.75	57.00	2,053	20,997
Jan	57.50	+0.47	57.60	57.00	1,141	6,620
Total					20,531	106,994

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jul	178.75	-	180.00	178.75	3,187	3,953
Aug	177.50	+4.00	178.00	174.25	9,694	21,623
Sep	174.75	+3.25	175.25	172.00	2,349	9,442
Oct	173.25	+2.75	173.50	171.00	1,078	4,146
Nov	172.25	+2.25	172.25	172.00	70	1,836
Dec	171.50	+2.50	171.50	169.75	1,020	9,042
Total					18,146	88,041

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu.)

	Latest price	Day's change	High	Low	Vol	Open int
Aug	2.720	-0.057	2.800	2.687	10,129	36,508
Sep	2.745	-0.058	2.805	2.720	8,915	24,724
Oct	2.685	-0.056	2.740	2.670	4,431	20,147
Nov	2.680	-0.062	2.720	2.670	1,136	12,717
Dec	2.710	-0.052	2.750	2.690	873	15,658
Jan	2.700	-0.062	2.750	2.695	567	12,113
Total					38,404	161,474

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Aug	63.90	+0.79	64.50	63.00	14,034	25,530
Sep	62.40	+0.47	63.05	61.75	8,654	14,377
Oct	59.30	+0.12	59.95	59.10	1,352	4,431
Nov	57.50	+0.15	57.80	56.95	51	1,767
Dec	56.40	+0.25	56.50	56.00	9	1,600
Jan	55.80	+0.15	55.80	55.40	157	1,158
Total					24,113	49,793

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jul	111.00	-0.75	111.25	110.85	10	116
Sep	110.85	+0.95	111.00	110.80	28	400
Nov	112.70	+0.85	113.00	112.00	136	3,040
Jan	114.70	+0.85	114.75	114.00	8	1,243
Mar	116.55	+0.85	117.00	117.00	5	407
May	118.70	+1.05	118.95	118.00	20	200
Total					207	5,432

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Jul	505.50	+14.25	511.50	484.00	1,468	3,017
Sep	506.00	+14.00	512.00	491.50	7,948	32,744
Dec	513.00	+14.00	519.00	503.00	7,378	28,586
Mar	512.50	+15.25	517.00	502.00	553	4,607
May	473.00	+8.00	481.00	473.00	14	172
Jul	425.50	+1.50	430.00	422.00	64	1,984
Total					17,418	71,188

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

Jul	539.00	+8.00	546.00	531.00	5,333	7,134
Sep	421.25	+12.00	421.25	409.00	16,517	78,321
Dec	371.25	+12.00	371.25	360.75	34,853	174,475
Mar	376.50	+12.00	376.50	364.50	2,280	27,521
May	380.00	+12.00	380.00	374.00	486	6,018
Jul	378.00	+12.00	378.00	372.50	76	6,243
Total					59,632	309,842

■ BARLEY LCE (£ per tonne)

Sep	104.20	+0.40	104.25	104.00	15	108
Nov	106.65	+0.80	-	-	-	815
Jan	108.65	+0.80	-	-	-	200
Mar	110.65	+0.65	-	-	-	46
May	112.25	+0.80	112.40	112.40	2	10
Total					17	1,179

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

Jul	827.25	+30.25	828.00	798.00	3,132	4,108
Aug	822.00	+30.00	822.00	792.00	15,275	34,401
Sep	802.25	+30.00	802.25	772.50	2,326	11,008
Nov	787.50	+30.00	787.50	757.50	40,019	108,108
Jan	795.75	+30.00	795.75	776.00	1,736	8,840
Mar	802.50	+30.00	802.50	783.00	365	4,711
Total					64,837	180,176

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

Jul	25.95	+0.77	26.08	25.45	3,567	2,929
Aug	26.04	+0.77	26.20	25.47	8,394	20,794
Sep	26.26	+0.79	26.40	25.75	2,980	13,726
Oct	26.45	+0.80	26.60	25.90	2,032	8,487
Dec	26.86	+0.81	27.04	26.30	7,280	30,953
Jan	27.00	+0.80	27.08	26.55	252	2,565
Total					25,261	83,434

■ SOYABEAN MEAL CBT (100 tons; $/ton)

Jul	258.9	+8.6	258.2	249.0	3,771	6,518
Aug	255.4	+8.6	258.8	247.0	10,958	22,481
Sep	253.8	+8.9	254.9	246.0	2,646	11,360
Oct	250.3	+9.3	251.6	244.5	1,066	6,002
Dec	248.8	+10.0	249.8	242.0	8,204	24,242
Jan	248.7	[illegible]	249.4	243.0	11	2,954
Total					26,621	77,104

■ POTATOES LCE (£/tonne)

Nov	85.0	-	-	-	-	-
Mar	110.0	-	-	-	-	-
Apr	129.8	+1.8	131.5	129.8	100	1,311
May	143.0	-	-	-	-	3
Jun	162.5	-	-	-	-	-
Total					100	1,314

■ FREIGHT (BIFFEX) LCE ($10/index point)

Jul	1108	+15	1115	1100	19	1,643
Aug	1105	+15	1110	1090	37	724
Sep	1125	-	1130	1125	70	247
Oct	1223	+3	1225	1215	78	1,012
Jan	1225	-3	-	-	-	279
Apr	1243	+13	-	-	-	129
Total					204	4,583

	Close	Prev
BFI	1120	1124

FUTURES DATA
All futures data supplied by CMS.

Wool
With no wool sales to provide guidance on any change in world demand, and a static and trendless conclusion to sales when last held, prices indicated by traders show no useful change. For those buying from Australia there has been small-scale renewed strength in the Australian dollar. This leads to awareness of the chance of higher costs for currency reasons. Without anything on the demand side the trade is generally inclined to ride out minor currency fluctuations, however. Apart from a dull background to the wool situation, retail demand beyond it's consumer interest leaves a lot to be desired. The wool textile industry is not well structured to withstand a difficult period without damaging competitive pricing. Wool sales are resumed in Australia at the end of July. Limited guidance from the Sydney wool futures market underlines the static trend.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jul	980	-	980	980	19	561
Sep	1001	-	1013	998	1,603	43,424
Dec	1017	-1	1024	1008	2,080	43,096
Mar	1031	+1	1037	1022	2,760	35,506
May	1041	+1	1042	1033	316	20,249
Jul	1052	+1	1056	1050	139	11,736
Total					7,382	169,693

■ COCOA CSCE (10 tonnes; $/tonnes)

Jul	1335	-5	1345	1335	43	88
Sep	1363	-5	1401	1380	4,234	30,485
Dec	1418	-1	1430	1414	704	15,999
Mar	1441	+2	1449	1436	975	15,065
May	1465	-2	1465	1465	1	8,676
Jul	1461	-5	1463	1459	1	5,902
Total					5,962	81,292

■ COCOA (ICCO) (SDR's/tonne)

Jul 10	Price	Prev. day
Daily	1040.21	1062.70

■ COFFEE LCE ($/tonne)

Jul	1549	+5	1565	1548	103	985
Sep	1508	+18	1575	1503	2,016	17,459
Nov	1614	+24	1620	1607	747	5,481
Jan	1582	+24	1590	1575	285	3,221
Mar	1545	+21	1552	1550	87	1,580
May	1526	+17	1520	1509	14	201
Total					3,222	28,578

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

Jul	123.00	+2.00	123.20	120.50	241	489
Sep	116.20	+0.15	116.70	115.00	4,827	14,789
Dec	111.10	-0.25	111.75	110.50	1,314	5,457
Mar	108.25	-0.60	108.90	108.25	180	2,098
May	107.70	-0.60	108.00	107.70	22	427
Jul	108.25	-1.00	110.00	110.00	4	144
Total					6,594	23,440

■ COFFEE (ICO) (US cents/pound)

Jul 10		Prev. day
Comp. daily	103.75	103.57
15 day average	108.43	108.62

■ WHITE SUGAR LCE ($/tonne)

Aug	368.5	-1.5	373.0	367.9	924	3,963
Oct	353.0	+0.2	355.3	352.5	960	9,129
Dec	344.8	+0.6	347.8	344.5	358	3,625
Mar	339.0	-0.4	342.1	338.8	387	4,252
May	334.8	-1.9	339.1	337.5	116	2,233
Aug	332.0	-2.2	335.0	332.5	121	775
Total					2,777	24,421

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Oct	11.68	+0.04	11.77	11.61	6,769	70,932
Mar	11.26	+0.02	11.31	11.22	2,845	37,267
May	10.95	+0.04	10.97	10.92	1,250	14,919
Jul	10.64	+0.01	10.69	10.63	514	11,550
Oct	10.43	+0.02	10.45	10.42	136	5,131
Mar	10.27	+0.02	10.25	10.20	6	531
Total					11,517	140,438

■ COTTON NYCE (50,000lbs; cents/lbs)

Jul	71.98	+1.38	71.40	70.70	62	355
Oct	72.71	+0.83	73.15	71.25	937	7,875
Dec	73.61	+0.86	74.00	72.20	5,896	34,594
Mar	74.85	+0.47	75.25	73.87	1,075	7,542
May	75.70	+0.35	75.70	74.70	584	5,326
Jul	76.40	+0.35	76.40	75.80	442	3,914
Total					8,779	63,147

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Jul	115.20	-4.80	120.00	120.00	487	503
Sep	110.70	-6.95	118.70	110.50	2,846	10,699
Nov	110.70	-5.00	118.50	110.70	981	2,687
Jan	110.00	-5.00	115.40	110.00	140	3,897
Mar	112.15	-5.00	117.00	112.15	88	375
May	113.45	-5.00	120.00	120.00	9	200
Total					3,973	18,528

VOLUME DATA
Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open Interest totals are for all traded months.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jul 11	Jul 10	month ago	year ago
1987.4	1991.9	2090.0	2258.7

■ CRB Futures (Base: 1967=100)

Jul 10	Jul 9	month ago	year ago
250.03	250.12	na	na

■ GSCI Spot (Base: 1970=100)

Jul 10	Jul 9	month ago	year ago
206.57	207.46	204.47	173.80

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Aug	66.900	-0.750	67.900	66.825	8,940	33,780
Oct	69.150	-0.525	69.650	68.950	3,638	28,712
Dec	66.400	-0.625	66.675	66.250	1,488	13,199
Feb	64.825	-0.475	65.300	64.825	847	12,614
Apr	67.250	-0.300	67.550	67.200	125	4,177
Jun	66.275	-0.225	66.250	66.250	69	1,590
Total					13,669	[illegible]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Jul	58.350	+0.150	58.900	58.275	1,841	3,211
Aug	56.300	+0.575	56.850	55.650	3,074	12,709
Oct	53.450	+0.550	53.950	52.950	2,080	9,363
Dec	55.900	+0.825	56.150	54.950	675	7,065
Feb	76.060	+1.025	76.100	75.660	87	2,213
Apr	75.800	+0.700	75.800	75.300	89	846
Total					8,073	[illegible]

■ PORK BELLIES CME (40,000lbs; cents/lbs)

Jul	85.400	+2.000	85.400	85.400	400	1,327
Aug	82.300	+2.000	83.300	[illegible]	1,786	[illegible]
Feb	82.225	+2.000	82.225	81.000	389	1,160
Mar	82.000	+1.200	82.400	81.000	15	59
May	83.475	+2.000	82.600	81.200	5	70
Total					2,576	6,367

LONDON TRADED OPTIONS

Strike price $ tonne	— Calls —		— Puts —	
■ ALUMINIUM (99.7%) LME	Sep	Dec	Sep	Dec
1400	69	112	17	29
1500	19	57	66	72
1600	3	25	149	137
■ COPPER (Grade A) LME	Sep	Dec	Sep	Dec
1700	204	209	36	73
1800	139	154	70	116
1900	89	110	119	169
■ COFFEE LCE	Sep	Nov	Sep	Nov
1650	110	119	82	155
1700	88	101	130	187
1750	71	85	162	222
■ COCOA LCE	Sep	Dec	Sep	Dec
1000	35	76	34	59
1025	25	64	49	72
1050	17	54	66	87
■ BRENT CRUDE IPE	Aug	Sep	Aug	Sep
1900	-	-	-	46
1950	37	58	5	-
2000	5	36	-	-

LONDON SPOT MARKETS

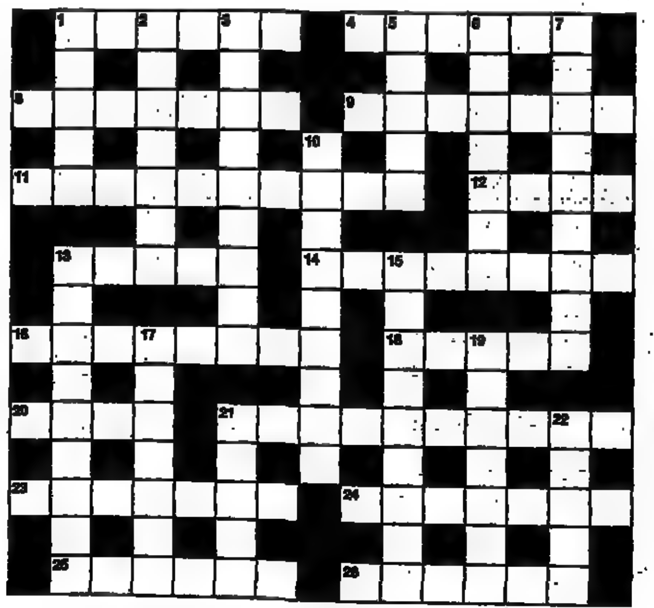
■ CRUDE OIL FOB (per barrel)		+or-
Dubai	$18.01-8.11	+0.155
Brent Blend (dated)	$19.93-9.95	+0.130
Brent Blend (Aug)	$19.83-9.85	+0.250
W.T.I.	$21.75-1.77w	+0.290
■ OIL PRODUCTS NWE prompt delivery CIF (tonne)		
Premium Gasoline	$215-218	+1
Gas Oil	$184-185	+2
Heavy Fuel Oil	$87-89	
Naphtha	$187-189	+1
Jet fuel	$203-205	+2.5
Diesel	$184-186	+3.5
■ NATURAL GAS (Pence/therm)		
Bacton (Aug)	13.30-13.75	+0.025
Petroleum Argus. Tel. London (0171) 359 8792		
■ OTHER		
Gold (per troy oz)♣	$383.20	+0.15
Silver (per troy oz)♣	511.50c	+1.50
Platinum (per troy oz.)	$389.90	-1.85
Palladium (per troy oz.)	$130.25	-1.00
Copper	95.0c	
Lead (US prod.)	45.00c	
Tin (Kuala Lumpur)	15.43r	-0.08
Tin (New York)	292.50	-3.00
Cattle (live weight)	101.27p	+0.28*
Sheep (live weight)	112.08p	+0.66*
Pigs (live weight)†	120.48p	-5.20*
Lon. day sugar (raw)	$316.60	-0.60
Lon. day sugar (wte)	$373.50	-11.00
Barley (Eng. feed)	Unq	
Maize (US No3 Yellow)	Unq	
Wheat (US Dark North)	Unq	
Rubber (Aug)¥	91.50p	
Rubber (Sep)¥	91.50p	
Rubber (KL RSS No1)	331.00m	-3.00
Coconut Oil (Phil)§	785.0w	-5.0
Palm Oil (Malay.)§	$487.5z	-8.0
Copra (Phil)§	$525.0w	
Soyabeans (US)	217.0	+4.0
Cotton Outlook 'A' Index	79.60c	-0.65
Wooltops (64s Super)	430p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. x Aug. w Jul/Aug. z Jul/Sep ¥ London Physical. § CIF Rotterdam. ♣ Bullion market close. * Change on week. †Based on 1,447 head of pigs sold.

JOTTER PAD

CROSSWORD

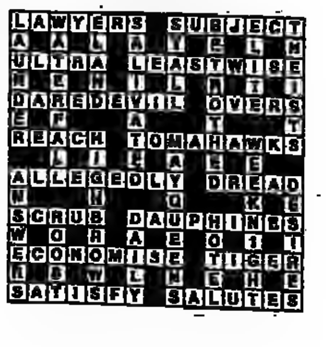
No.9,118 Set by GRIFFIN



ACROSS
1, 4 Playing with any video game when ship first sails? (6,6)
8 Appear to be an expert on board? (7)
9 Boy volunteers to back it into position (7)
11 Financial expert to gamble on roll-over? (10)
12 Caught us taking note of hints (4)
13 Shy pup detailed to find rodent (5)
14 Building inspector could be very sour (8)
16 Fact-finding Rees upset chief (8)
18 The turf in Agra's somewhat brown (5)
20 Missed hole in damp fog (4)
21 Pestering and robbing mad drunk (10)
23 Gazing around sat by wrestling arena (7)
24 Grit round our wild bird enclosure (7)
25 Cowardly shout and cry of pain (6)
26 Caught removing piano returns to exit (6)

DOWN
1 Starts moving unacceptable hydrant by entrance (5)
2 Childhood at home, like (7)
3 Treasury department once right about payment method (9)
5 Got terrified holding this creature (5)
6 A pointlessly, non-U reticule item (7)
7 Sexily sensitive rogue one's written about (9)
10 Swear he blames running around quietly (9)
13 Science man, when speaking, missed blubber out (9)
15 Falsify master character's rambling tale (9)
17 Then recollected one missing rail transport (7)
19 Where England or Rajasthan keep some (7)
21 Game Black takes home to repair (5)
22 It's fine being up around Gateshead when it's dark (5)

Solution 9,117



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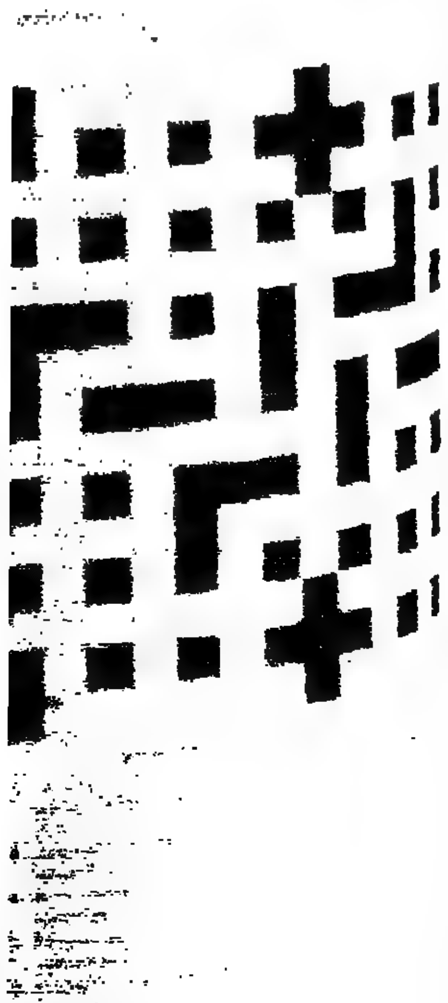
ir in Chicago

gas search

CROSSWORD



FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Currency Funds Ltd
Pembroke Hall, Pembroke, Bermuda
UK Prof Advisers 0800 414181 Jersey 01534 71696
Private Clients 0800 414161 00 352 250404230
From O'seas (44) 1732 777377 Hong Kong (852) 848 1000

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
A$ Accum		A$18.836		+0.003	6.30
ASch Accum		Sch247.52		+0.02	2.30
C$ Accum		C$18.540		+0.001	3.70
DM Accum		DM28.110		+0.002	2.10
DFl Accum		Dfl27.519		+0.001	1.80
ECU Accum		Ecu13.380		+0.001	3.30
FFr Accum		FFr68.577		+0.005	2.80
HK$ Accum		HK$118.92		+0.01	4.30
Lira Accum		L22133		+5	6.30
NZ$ Accum		NZ$38.994		+0.009	8.70
NKr Accum		NKr111.51		+0.01	3.40
S$ Accum		S$25.875		+0.002	1.70
SPta Accum		Pta2650.3		+0.5	8.40
£ Accum		£12.987		+0.002	4.70
SKr Accum		SKr119.79		+0.02	4.70
SFr Accum		SFr29.322		+0.001	1.20
US$ Accum		$23.247		+0.002	4.40
Yen Accum		Y2880.7		—	0.10

Prices for dealing July 11

Jupiter Tyndall (Bermuda) Ltd
PO Box HM1258, Hamilton, Bermuda 001 809 292 2100
Jupiter Tyndall World Umbrella Fund Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Eurobond	$15.44	16.22	+0.13	3.50
Money $	$14.10	14.87	—	2.75
Mortgage (C)	C$23.08	24.25	+0.05	7.71
North American	$14.54	15.27	+0.29	–
Overseas	$20.20	21.22	+0.40	–
Tiger	$18.17	19.08	+0.35	–
UK Small Cos	£1.47	1.49	–0.09	0.00

Newport Investment Management
20 Reid St, PO Box HM 2366 Hamilton Bermuda
UK: 0171 336 0000 Dealing: 01481 700000

	Selling Price	+or -
Nor. Pacific	$4.6210	–0.0050
NIR Pacific	$2.9740	–0.0050
Newport Tiger Fd	$7.0349	–0.0172
Newport Tiger Fd	$4.5395	–0.0060

Orion Fund Limited
6 Front St., Hamilton, HM11, Bermuda 441 292 6370
Orion Jul 5 $27.9fxd — –

BERMUDA (REGULATED)(**)

Lloyds Intl Money Market Fund Ltd
Sarnia Hse, Le Truchot, St Peter Port 01481 724983
Lloyds Bank Fund Managers (Guernsey) Ltd

	Selling Price	+or -	Yield Gr's
Australian Dollar	A$66.208	+0.029	6.664
Canadian Dollar	C$29.548	+0.006	3.886
Deutschemarks	DM80.085	+0.002	2.410
Dutch Guilders	Dfl35.370	+0.003	1.997
ECUs	Ecu36.645	+0.009	3.643
French Francs	FFr208.929	+0.002	2.871
Italian Lira	L39822.902	+15.736	6.600
Japanese Yen	Y3386.885	+0.002	0.098
New Zealand Dollar	NZ$84.098	+0.029	9.079
Norwegian Kroner	NKr103.741	+0.002	3.832
Portuguese Escudos	Es6763.449	+0.259	6.808
Spanish Pesetas	Pta6035.831	+0.845	6.591
Sterling Class	£50.553	+0.040	4.984
Swedish Kronor	SKr103.332	+0.014	5.010
Swiss Francs	SFr80.856	+0.004	1.021
US Dollar Class	$41.803	+0.002	4.623
Managed Sterling	£19.216	+0.020	5.955
Managed US$	$28.422	+0.005	5.414

Dealing daily

M & G (Guernsey) Ltd
Westbourne, The Grange, St Peter Port 01481 723363

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Island Global Fd	0	1831.5	1902.8	–9.4	0.87
Island Cmty	0	4845.6	4912.9	–9.6	0.80
(Accum. Units)	0	6048.1	6197	–1.2	0.00
Island UK Fd	0	1023.4	1064.8	–4.1	3.91
(Accum Units)	0	2485	2912.9	–2.8	3.91

Prudential Fund Managers (Guernsey) Ltd
Po Box 81, St Peter Port Guernsey 01481 700000
Prudential Money Funds Ltd

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Managed Sterling		157.5	157.8	–0.3	4.65
Managed Dollar	5	$14.31	14.32	—	3.80
Dollar Deposit		$10.66	10.68	+0.01	3.66

Rothschild Asset Management (CI) Ltd
PO Box 242, St Peter Port, Guernsey 01481 713713

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
FAIB £ Bond	$3/4	£21.27	21.85	+0.02	5.56
FAIB US$ Bond		$21.84	22.91	+0.08	5.80
FAIB £ Global		£17.58	18.14	—	5.70
FAIB US$ Global		$29.63	30.85	+0.03	5.87
Five Arrows Latin Am Eq	5	$13.70	14.77		0
FARL £		£44.465		+0.009	4.70
FARL A$		A$49.281		+0.007	6.41
FARL C$		C$35.321		+0.005	3.81
FARL DFl		Dfl50.868		+0.005	1.80
FARL DKr		DKr305.84		+0.030	2.76
FARL DM		DM57.481		+0.005	2.21
FARL ECU		Ecu31.643		+0.005	3.34
FARL SFr		BFr2030.4		+0.120	2.14
FARL FFr		FFr142.562		+0.020	2.75
FARL HK$		HK$179.45		+0.029	4.38
FARL Lira		L141080		+31.0	8.39
FARL NZ$		NZ$45.330		+0.011	8.84
FARL S$		S$58.819		+0.008	2.04
FARL Pts		Pts4407.7		+0.779	6.55
FARL SF		SF177.068		+0.005	1.47
FARL SKr		SKr200.35		+0.036	5.27
FARL U.S.$		$52.045		+0.008	4.34
FARL Yen		Y10714.05			0.08
FARL Man £		£25.047		–0.010	4.28
FARL Man DM		DM53.032		+0.009	2.22
FARL Man $		$30.861		+0.403	3.85
FARL Man Int		$21.036		–0.005	2.77
FACRL £		£10.089		+0.001	4.63
FACRL A$		A$15.169		+0.003	6.18
FACRL C$		C$20.141		+0.002	3.48
FACRL DFl		Dfl50.146		+0.002	1.47
FACRL DKr		DKr150.82		+0.010	2.82
FACRL DM		DM40.161		+0.002	2.01
FACRL ECU		Ecu15.087		+0.002	3.16
FACRL SFr		SFr803.2		+0.100	1.90

Rothschild Asset Mngmt - Contd.
Five Arrows International Managed Portfolio

	Selling Price	+or -	Yield Gr's
UK Capital Growth	£11.821	—	–
Balanced Income & Growth	£11.349	—	–
Balanced Income & Growth	$11.420	—	–
International Capital Growth	£11.410	—	–
International Capital Growth	$11.847	—	–

Royal Bank of Canada Intl Money Market Fd
Money Market Fund

	Selling Price	+or -	Yield Gr's
US$ Accum Class	$1.1798xd	—	4.79
US$ Distrib Class	$1.0066xd	—	4.79
C$ Accum Class	C$1.2404xd	—	4.23
C$ Distrib Class	C$1.0187xd	—	4.23
Sterling Accum Class	£1.2791xd	—	4.88
Sterling Distrib Class	£1.0264xd	—	4.88
SWF Accum Class	SFr1.1189xd	—	0.94
SWF Distrib Class	SFr1.0084xd	—	0.94
DM Accum Class	DM1.2907xd	—	2.49
DM Distrib Class	DM1.0145xd	—	2.49
Yen Accum Class	Y1.0362xd	—	0.09
Yen Distrib Class	Y1.0022xd	—	0.09

Saudi International (Guernsey) Ltd
Falcon High Income $100.17 100.27 — –

Schroder Investment Mngmt (Guernsey) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Brazil	$8.304	8.683	–0.038	–
Eastern European	$15.304	16.265	–0.290	–
Emerging Markets	$17.15	18.18		–
Emerging Mkts Dollar	$10.563	11.202	–0.013	–
India	$10.806	11.457		–
Italian Convertible	$5.84	6.19		–
Latin American	$27.63	64.04	–0.84	0.00
Offshore Sterling Bond	£9.87	10.39	–0.30	6.79
Taiwan Fund – Bid		10249.08	–0.18	–
Taiwan Fund – Offer		$10.607	–0.18	–

Stalnes Fund Managers (Guernsey) Ltd

	Selling Price	+or -
Al-Fatah for Co Ltd	$1127.32	+7.39
Guernsey Concept 2009 Ltd	$1414.74	+12.34

UBK Asset Management (Guernsey) Ltd

	Selling Price	Buying Price	+or -
UBK Strategic Currency	$8.65	9.0372	—
Select High Yield Bond A	[illegible]	[illegible]	—
Select High Yield Bond B	[illegible]	[illegible]	—
Pensinan BD Bond	£017.774	17.9888	—

U.S. Advisors (Guernsey) Limited
US Gi Bnd Fnd ML & Rel Inc $108.66 111.18 — –

Yamaichi Capital Mngt (Guernsey) Ltd

	Selling Price	+or -
Yamaichi ISS Fund	$8.39	+0.01
Yamaichi Japan Sm Stock Index	$8.50	–0.01
Yamaichi Dynamic Asia	$10.04	–0.04
Yamaichi Dynamic Thematic	$9.62	+0.01
Yamaichi Pure China Fd	$8.85	—
Yamaichi Japan Concept Fd	$911.41	—

IRELAND (SIB RECOGNISED)

AIB Fund Management Ltd
AIB Investment Hse, Percy Place, Dublin 4 00 3531 660 7077
AIB Investment Fund Umbrella Fund

LGT Asset Management Ltd - Contd.

	Selling Price	Buying Price	+or -	Yield Gr's
GT Hong Kong A	$20.59	23.57	+0.06	0.02
GT Hong Kong B	$20.46		+0.06	0.00
GT Hong Kong B	£20.83		+0.03	0.00
GT Honshu Pathfinder A	$11.35	11.95	—	0.00
GT Honshu Pathfinder A	£7.31	7.70	—	0.00
GT Honshu Pathfinder B	$11.56		—	0.00
GT Honshu Pathfinder B	£7.44		—	0.00
GT Indian Small Cos A	$10.57	11.13	+0.02	0.00
GT Indian Small Cos A	£6.81	7.17	+0.01	0.00
GT Indian Small Cos B	$10.65		+0.02	–
GT Indian Small Cos B	£6.86		+0.01	0.00
GT Japan OTC Stocks A	$11.30	11.90	–0.02	0.00
GT Japan OTC Stocks A	£7.27	7.66	–0.01	0.00
GT Japan OTC Stocks B	$11.40		–0.02	0.00
GT Japan OTC Stocks B	£7.30		–0.01	0.00
GT Japan Sm Cos A	$13.91	14.32	00	0.00
GT Japan Sm Cos A	£8.78	9.25	+0.03	0.00
GT Japan Sm Cos B	$12.80		+0.04	0.00
GT Japan Sm Cos B	£8.84		+0.03	0.00
GT Latin America A	$19.49	20.50	–0.07	0.00
GT Latin America A	£12.54	13.20	–0.05	0.00
GT Latin America B	$19.87		–0.07	0.00
GT Latin America B	£12.87		–0.05	0.00
GT North America A	$49.38	50.92	–0.29	0.00
GT North America A	£31.36	32.79	–0.19	0.00
GT North America B	$48.18		–0.30	0.00
GT North America B	£31.07		–0.19	0.00
GT PRC A	$4.58	4.82		0.00
GT PRC B	$4.59		–0.01	0.00
GT PRC A	£7.11	7.48		0.00
GT PRC B	£7.12		–0.01	–
GT Strategic Bond A	$9.98	10.50	+0.02	5.55
GT Strategic Bond A	£6.17	6.50	+0.01	5.55
GT Strategic Bond B	$9.84		+0.03	2.80
GT Strategic Bond B	£6.21		+0.02	5.55
GT Technology A	$94.35	100.28	–1.53	0.00
GT Technology A	£61.34	64.57	–0.99	0.00
GT Technology B	$95.84		–1.56	0.00
GT Technology B	£62.30		–1.00	0.00
GT Telecommunications A	$17.85	18.80	–0.17	0.00
GT Telecommunications A	£11.50	12.16	–0.11	0.00
GT Telecommunications B	$18.31		–0.19	0.00
GT Telecommunications B	£11.79		–0.12	0.00

Lazard Brothers Investment Funds Ltd
20/22 Lower Hatch Street, Dublin 2, Ireland 3531 7635000
Lazard Brothers Global Equity Fund Plc

Morgan Grenfell Investment Funds Ltd (a)
20 Finsbury Circus, London EC2M 1UT 0171 588 7454

Murray Johnstone (Dublin) Ltd
Europa House, Harcourt St, Dublin 2 3531 407 3000
Murray Global Accumulation Fund Plc
Murray Fixed-Rate Bond .. 2 102.31 +0.40 5.80

Tilney (Ireland) Ltd
20/22 Lower Hatch Street, Dublin 2 00 3531 7905913
US Mid Cap $9.69 –0.02 –

IRELAND (REGULATED)(**)

AIB Fund Management Ltd
AIB Global Funds Unit Trust Umbrella Fund

	Selling Price	Buying Price	+or -	Yield Gr's
DM Managed Currency	DM29.477	32.082	—	–
US$ Managed Currency	$1.0549	1.0885	—	–

AIG Asset Management Ltd
AIG All Ages Funds Plc
Children's Fund – 2000 (net) $9.88 00 –

Augusta European Hedge Fund plc
NAV $10.01 — 0.00

Asia Dynamic Growth Fund Plc
NAV $11.51 –0.12 –

Asia Small Cos Growth Fund (a)
NAV $12.29 +0.09 –

Asian Diversified Equity Fund Plc
NAV $9.70 –0.10 –

Asian Emerging Markets Fund Plc
NAV $5.62 +0.35 –

Asian Gateway Fund Plc
NAV $8.062 — –

Asian Growth Fund Plc
NAV $1.37 +0.04 –

Asset Korea Fund
NAV $9.60 — –

Atlantic Eastern Smaller Companies Fund
NAV (Undiluted) Jul 10 $99.30 — –
NAV (Fully diluted) Jul 10 — –

KDW Asset Management Ireland Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Sterling Liquidity A	£10.578944		—	–
US Dollar Liquidity A	$10.6047		—	–
US Dollar Liquidity B	$10.515802		—	–

Bank of Ireland Unit Managers Ltd

Gordon House Asset Management Ltd

	Selling Price	+or -	Yield Gr's
Gordon House Optimal	$6.01	—	–
International Strategy Growth Fd	$5.04	—	–

HSBC UK Equity Plus Plc
NAV £0.97 — –
Sterling 00 –

Hambros Fund Managers (Ireland) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Ichiyoshi Asia Market	$10.36	10.89	–0.01	0.00
Super Asia Volunteer	$14.36	15.08	–0.02	0.00

Hansen Asset Management Ltd

	Selling Price	+or -
ASEAN	$10.29	—
Asian Market Leaders	$10.53	—
Japan Recovery	$10.58	—

Hansol Korea Venture Fund

	Selling Price	+or -
First Venture Portfolio NAV	$10.32	–0.18
Second Venture Portfolio NAV	$9.81	–0.02

Hansard Europe Limited

	Selling Price	Buying Price	+or -
UK £ Cautious	£1.102	1.160	—
US$ Cautious	$1.080	1.178	—
UK £ Managed	£1.229	1.318	—
US$ Managed	$1.155	1.248	—
DM Managed	DM1.157	1.250	—
International Managed	£1.212	1.310	—
US$ Pacific Managed	$1.112	1.202	—
UK £ Growth	£1.240	1.340	—
US$ Growth	$1.231	1.330	—
International Growth	£1.241	1.341	—
US$ Stock Market	$1.258	1.360	—
Hong Kong	$1.253	1.354	—
European	SFr1.231	1.330	—
Japan	Y1135	1226	—
South East Asia	$1.127	1.218	—
UK £ Fixed Interest	£1.057	1.142	—
US$ Fixed Interest	$1.045	1.129	—
International Bond	$0.997	1.078	—
ECU Bond	Ecu1.157	1.250	—
Swedish Fixed Interest	SKr0.995	1.075	—
French Managed	FFr1.108	1.196	—
UK Equity	£1.273	1.376	—
Belgian Managed	BFr1.089	1.177	—
Dutch Managed	Dfl1.127	1.218	—
EU European Growth	FFr1.322	1.429	—

Kim Europe Worldwide Fund
NAV $10.09 +0.01 –

Kiwa Far East Fund Plc
Kiwa Far East $7.89 7.84 +0.02 –

Kiwa Korea Fund Plc
NAV $9.96 +0.16 –

Kleinwort Benson Bond Arbitrage Fund Plc

	Selling Price	+or -
Bond Arbitrage	Ecu13.344	—
Bond Arbitrage	$10.949	—

Korea Balanced Return Fund
NAV $9.52 +0.10 –

Korea CS Fund Plc
NAV $8.89 +0.27 –

Korea Capital Growth Fund
NAV $8.22 +0.24 –

Korea Golden Dynasty Fund Plc
NAV $7.455 +0.219 –

Scottish Mutual Intl Fund Managers Ltd

	Selling Price	+or -	Yield Gr's
UK Equity £	£1.059	—	–
UK Fixed Interest £	£1.013	—	–
Global Equity $	$1.042	—	–
Global Bond $	$0.9839	—	–
Pounds Bond $	$0.9808	—	–

Sellorn Investment Management (Ireland) Ltd

	Selling Price	+or -
Styx Global	SFr766.60	—
Styx Growth Equities	SFr122.85	—
Styx Lucrum	SFr110.76	—
Styx Reserve	SFr105.03	—

Singer & Friedlander Closed Funds Plc
Aim $5.44 — –

Societe Generale Group

	Selling Price	+or -
SGFAM Strategy Obsceffe	FFr538.84	–3.88
SGFAM Strategy $ Financial	$102.28	–0.77
SGFAM Strategy $ Obsceffe	$1080.30	–27.14

Stellar Fund Plc
NAV $1.66 +0.01 –

Trainer Wortham & Company Inc
US Growth Fd Plc $10.03 — –

Ulster Bank Investment Services

	Selling Price	Buying Price	+or -	Yield Gr's
Nat.West.Korea Fd Plc	$10.79	10.86	+0.13	–
Natwest Liquidity	£1.1538		+0.0006	5.02
Natwest Dollar Liquidity	$1073.1283		+1.9008	3.64
European High Income	DM1161608.75		–087.75	–
NatWest Eurora	$922.17		–0.32	–
NatWest UK Index	£11.06		–0.06	–
Peruvian Growth	$1241.63		+18.83	–
Aesthetic Investment Plc	$9.09		+1.19	–

Value Express Fund Plc
NAV $2.45 +0.13 –

Yamaichi Samsung Dynamic Korea Fund
NAV $8.49 –0.12 –

Yellow Sea Investment Company PLC
NAV $9.55 — –

Yuki Korea Fund
NAV $781.11 +60.36 –

Yuki Taiwan Fund
NAV $1100.29 –42.76 –

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs
Victory Hse, Prospect Hill, Douglas IoM 01624 663393
Total Income Fd .... 5¼ 96.30xd 101.45 +0.02 5.8

Allied Dunbar Intl Fund Mgrs (1000)F
Lord Street, Douglas, IoM 01624 661551

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
ADI Managed	5	[illegible]	0.9337	–0.0005	0.94
ADI Mgd Currency	5	[illegible]	0.3654	+0.039	3.84
ADI W'wide Eq	5	$1.016	1.084	–0.002	0.01
ADI Nth Amer Gth	5	$1.234	1.313	–0.008	0.01
ADI Far East	5	$2.502	2.674	–0.001	0.01

Hill Samuel Fund Mgrs - Contd.
Intl. Bond Fund

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Sterling Managed	3½	£11.24d	12.18	+0.01	4.52
US Dollar Managed	3½	$13.92d	14.47	+0.01	4.40

International Currency Fund

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Sterling Managed	2	£37.98	38.73	–0.10	–
Sterling	0	£34.05		+0.01	4.74
US Dollar	0	$44.43		—	3.99
Deutschmark	0	DM77.60		+0.01	1.89

Offshore Funds

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Bonus	4	£7.018	7.349	+0.006	1.75
European	4	£11.66	12.15	–0.01	0.00
Far Eastern	4	£19.07	19.97	–0.08	0.00
International	4	£16.33	17.10	–0.05	0.00
North American	4	£10.31	10.80	–0.11	0.00

Lloyds Bank (CI) U/T Mgrs.
PO Box 195, St Helier, Jersey 01534 284242
Lloyds Tst. Gilt .... 3½ £10.158 10.84 +0.01 6.83
Dealing daily

Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 01534 606000

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Intl Currcy Portfolio	5¼	£1.4835	1.5725	(3)	1.27
Gilt	5	£0.9770	0.9800	(3)	7.00

Newton Fund Mgrs (CI) Ltd (1200)F
PO Box 189, St Helier, Jersey 01534 280707
Newton Universal Growth Funds
Equities

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
UK Equity	5½	£1.930	2.066	–0.001	–
North American	5½	$2.557	2.713	–0.011	–
Japanese	5½	$1.897	2.012	–0.001	–
Asian Growth	5½	$4.918	5.218	–0.025	–
Continental European	5½	$4.252	4.511	+0.001	–
South East Asia	5½	$18.89	20.04	–0.150	–

Bonds

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Sterling Bond	3½	£2.313	2.398	–0.001	6.50
International Bond	3½	$2.510	2.601	—	5.58
US Dollar Bond	3½	$1.788	1.853	+0.003	4.90

Currencies

	Init Charge	Selling Price	+or -	Yield Gr's
£ Sterling	0	£30.40	+0.01	4.75
US$	0	$23.12	+0.01	4.18
D Marks	0	DM79.77	+0.01	2.15
Ecu's	0	Ecu23.31	+0.01	3.17

Managed

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Int Portfolio	5½	£2.586	2.746	–0.020	–
Managed Currency ECU	3½	£2.810	2.912	–0.005	3.84

Prudential Fund Managers (Jersey) Ltd
PO Box 103, St Helier, Jersey 01534 606000
Prudential Currency Fd (Formerly Vanbrugh Currency Fd)

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Income (A & B)	5	212.6	223.3	–0.3	4.14
Growth (C & D)	5	363.6	382.0	–0.7	–

Royal Bank of Scotland Fd Mgrs (Jersey) Ltd
PO Box 443, Dumaresq House, St Helier, Jersey 01534 873141
Bumage Gilt £12.07 12.6847 +0.071 8.49

Standard Bank Fund Mgmt (Jersey) Ltd
PO Box 583, St Helier, Jersey CI 01534 67557

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Sterling Bond*	3	[illegible]	0.380	+0.006	8.86
Sterling Cap		£48.69	48.69		4.60

*maximum permitted level 8.39%

TSB Fund Managers (CI) Ltd
PO Box 538, St Helier, Jersey 01534 503002
TSB Offshore Investment Fund Ltd

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Stg Deposit Class F	3	101.40	104.44	+0.01	5.10
International Bond F	3	137.28	144.30	+0.18	4.90
High Income Class F	3	97.36	100.75	+0.20	8.00

GUERNSEY (SIB RECOGNISED)

AIB Investment Managers (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey CI 01481 710001
AIB Offshore Fund Ltd

	Init Charge	Selling Price	Buying Price	+or -
Inst Int Equity Mgd	5	$1.0854	1.1545	–0.0060
Int Equity Mgd	5	£1.0587	1.1181	–0.0005
£ Int Equity Mgd	5	£2.108	2.270	–0.011
£ Cash	0	£1.000	1.050	+0.002
UK Equity Class	5	£1.1377	1.2128	+0.001

Adams & Neville Fd Mngmt (Guernsey) Ltd
PO Box 255 St Peter Port Guernsey CI 01481 710001
Woodforest Bond Fund Intl £1.541 1.601 — 7.20

Equitable International Fund Managers Ltd
PO Box 255, St Peter Port Guernsey CI 01481 710001
Sterling High Yld 1 £0.9966 1.0080 — 4.80

Guinness Flight Fd Mngrs (Guernsey) Ltd
PO Box 250, St Peter Port, Guernsey
Enquiries 01481 712176 Dealing 01481 710001
Guinness Flight International Accum Fund (Daily)

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
US Dollar Money	0	$42.537		+0.01	4.74
Sterling Money	0	£31.578		+0.01	5.28
Yen Money	0	Y6089.230			0.00
Deutschemark Money	0	DM58.151		+0.01	2.65
Swiss Franc Money	0	SF68.767			1.46
Mngd Currency	5¼	$39.07	42.78	+0.07	5.94
Intl Prime Bond	5¼	$44.24	46.87	+0.07	5.69
Intl High Yld Bond	5¼	$39.35	41.30	+0.07	7.19
Euro High Yield Bd	5¼	$23.27	24.87	+0.02	6.38
US Dllr High Yield Bd	5¼	$24.11	25.67	+0.01	6.56
Stg High Yield Bd	5¼	£21.59	22.89	+0.03	7.82
Intl Balncd Gwth	5¼	$41.98	44.58		3.10
Intl Equity	5¼	$44.70	47.32	–0.10	0.30
European Equity	5¼	£26.02	26.70	+0.02	1.70

Global Strategy Fund (Daily)

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
US$ Money Fund	0	$20.04xd		+0.01	4.72
Sterling Money Fund	0	£10.03xd		+0.01	5.30
Yen Money Fund	0	Y5000.45			0.00
DM Money Fund	0	DM50.05xd		+0.01	2.51
Managed Currency Fund	5¼	$37.60d	38.00	+0.02	6.35
Global Bond Fund	5¼	$31.98	33.94	+0.05	5.69
Global High Inc Bd Fd	5¼	$20.48	21.60	+0.04	7.09
US$ Bond Fund	5¼	$24.15	25.47	+0.08	4.59
Gilt & Stg Bond	5¼	£10.61	11.19	+0.01	7.70
Yen Bond Fund	5¼		48.15	+0.05	3.50
European Bond Fd	5¼	£27.63	29.17	+0.04	5.80
Euro High Inc Bd Fd	5¼	£21.98	22.21	–0.02	6.80
Asia-Currency & Bond Fd	5¼	£20.68	22.13	+0.05	6.47
Global Convrtbl Fund	5¼	£25.63	27.30	–0.01	1.60
Global Balanced Gwth	5¼	£21.78	23.11	–0.01	2.70
Global Equity Fund	5¼	$167.68	177.72	+0.39	0.40
American Blue Chip Fd	5¼	$38.52	40.88	+0.01	0.00
American Smllr Cos Fd	5¼	$58.27	61.85	–0.01	0.00
UK Fund	5¼	£32.09	34.11	+0.03	3.10
ASEAN	5¼	$58.53	62.24	+0.09	0.00
Asia Smllr Companies	5¼	$23.62	25.11	+0.25	0.00
Hong Kong Fund	5¼	$64.62	68.51	+0.48	2.40
Japan Fund	5¼	$21.82	23.21	+0.04	0.00
Japan Smllr Cos	5¼	$25.85	27.49	–0.01	0.00
Japan & Pacific	5¼	$135.18	143.70	+1.37	0.00
European Fund	5¼	$152.97	162.85	+0.04	0.00
Global Emerging Markets	5¼	$20.16	21.44	–0.02	0.10
Global Energy Fund	5¼	$42.01	46.31	–0.01	1.40
Global Gold	5¼	$31.74	33.74	–0.20	0.00
Global Leisure Fund	5¼	$98.65	104.90	–0.12	0.10
Global Privatisation	5¼	$26.10	27.78	—	1.90

Hambros Fd Mgrs (CI) Ltd
PO Box 255, Guernsey 01481 715454

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
EMMA Managed	4	[illegible]	6.8265	+0.005	4.60
EMMA US Dollar Mgd	4	[illegible]	10.2490	+0.012	4.30
EMMA £ Bond	4	[illegible]	5.1684	+0.005	7.30
EMMA Nth Amer Eq	4	[illegible]	28.212	+0.127	5.75
EMMA Australian Bond	4	[illegible]	26.179	+0.054	6.00
EMMA Yen Bond	4	Y2876	2931	+1	3.00
EMMA Cont Eur Bond	4	[illegible]	50.145	+0.087	8.02

Integral Bond Arbitrage Fund Limited
Bond Arbitrage Fd Ltd $100.28 — –

Orbis Investment Management Ltd

	Selling Price	Buying Price	+or -
Orbis Global Eqty	$22.58	24.78	—
Orbis Optimal Eqty	$24.86	25.88	—
Orbis Leveraged Eqty	$31.90	22.98	—

* Prices on Jul 04 Next Pricing July 11 Weekly Pricing

GUERNSEY (REGULATED)(**)

ANZ Mngmt Co (Guernsey) Ltd
Emerging Mkts Liquid Inc Fund $17.67 17.86 — –

Apollo Investment Management Ltd

	Selling Price	Buying Price	+or -
Japan	$11.937	12.740	—
Tiger	$11.814	12.575	—
European	$9.989	10.692	—

Arab Bank Fund Managers (Guernsey) Ltd
AB International Fund Ltd

	Selling Price	Buying Price	+or -
Managed Currency	$11.14	11.22xd	—
International Bond	$11.38	11.37xd	+0.01

Atlantic Fund Management (Guernsey) Ltd

	Selling Price	+or -
Atlantic Japan Gwth Wrnt	$9.87	–0.16
Atlantic Japan Gwth Ordinary	$9.86	–0.21

B2W Asset Management Guernsey Ltd
Japan Index Fund Y397.90 768.00 — –

Buchanan Global Investment Fund Ltd

	Selling Price	Buying Price	+or -
Cash, Gilt & Stlg Fxd Inc	£18.39	19.42	—
US Dollar Intl Bond & Ccy	$160.21	169.71	—
Sterling Intl Bond & Ccy	£103.60	108.17	—
Global Equity	£11.18	11.45	—
Intl Equity Index	$118.30	124.62	—

CIBC Fund Managers (Guernsey) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Sterling Money Market	£10.329		—	4.85
US Dollar Money Market	$15.279		—	4.82
Can Dollar Money Market	C$20.329		—	3.87
PCF Sterling Bond	£12.01	12.81	—	11.00
PCF US Dollar Bond	$16.45	16.77	—	2.87
PCF Canadian Dollar Bond	C$24.38	24.70	—	7.53
PCF Euro Bond	SFr21.80	22.27	—	14.80
PCF Euro Equity	SFr21.30	22.13	—	9.76
PCF Balanced	$17.70	18.07	—	7.98
PCF Far East	$17.50	18.00	—	3.76
PCF Intl Managed	$9.99	10.66	—	

Castle Management (Guernsey) Ltd
Tai Chi Fund (Guernsey) Ltd £91.16 +0.52 –

Commercial Union Captives Inv Mngt
CUCM Trust £1.0725 — 6.11

Cornelia (Channel Islands) Limited

	Selling Price	Buying Price	+or -	Yield Gr's
Canadian Energy Jan 24	$30.07	30.67	—	
Capital May 31	$12.66	12.80	—	
Emerging Markets Debt Jul 29	$15.66	16.11	–0.14	5.5

Danbrust Management (Guernsey) Ltd
Danbrust Limited Ecu22.84 22.86 +0.04 –

Global Portfolio Management (Guernsey) Ltd

	Selling Price	Buying Price	+or -
Global Conv Bd Mar 31	$23.90	24.14	—
Global Emerging Markets Mar 31	$13.04	13.33	—
Global Foreign Exchange	$10.20	10.21	—

Guernsey Capital Management Limited

	Selling Price	Buying Price	+or -
GCM Int Fix Inc Class	$1116.22	1177.8	—
GCM Intl Eq Class Fd	$122.76	123.9	—
GCM South Africa Inv	$1028.74	1085.7	—
GCM US$ Special Class	$1173.64	1182.9	—

Hamlows Fund Managers (CI) Ltd
Japanese OTC $2.5864 3.1138 –0.1089 0.00

Hendersonville Fund Managers (Guernsey) Ltd
Hendersonville G & G Fd SFr10.16 10.36 — –

Hendersonville Throgmorton Mngmt Ltd
Intl Inv-Stlg High Inc £11.284 11.873 — 6.67

IFS (Guernsey) Ltd
Global Managed Portfolio 140 146 — –

Kleinwort Benson Intl Fd Mngrs Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
KB Inc.Ac.Bd.Acc*	£17.451	18.348	+0.006	0
Emerging Markets*	£18.538	19.942	+0.023	0.00

*Offer price inclusive of maximum preliminary charge

Lazard Fund Managers (CI) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Lazard O'Bsd Bnd (Inc)	£21.55	22.98	+0.04	5.47
Lazard O'Bsd Bnd (Acc)	£40.57	42.98	+0.46	
Lazard Japan Fund	$80.74	84.45	—	
Lazard Priv Port £ Cap	£21.50	22.98	—	
Lazard Priv Port $ Cap	$19.06	20.38	—	

Lazard Freres Asset Management (CI) Ltd

	Selling Price	+or -
LFGF – Liquidity	$10.5710	—
LFGF – Equity	$14.76	—
LFGF – Fixed Income	$10.12xd	—
LFGF – Opportunities	$10.71	—
LFGF – Strategic Yield	$9.748	–0.01

Lloyds Bank Fund Managers (Guernsey) Ltd

Dresdner Kleinwort Benson Int Mgt Services Ltd
La Touche House, IFSC, Dublin 1 00 3531 6701444
UK Enquiries 0171 246 3000
Kleinwort Benson India Fund Plc
Equity Growth 5 $11.24 — –
KB Dresdner Global Strategies Fund
US Equity 0 $11.40 — –

Dresdner Thornton Asian Selections Fund plc

	Init Charge	Selling Price	+or -
China	5	$5.80	—
Hong Kong	5	$11.45	—
Indonesia Fund	5	$10.16	—
Korea	5	$7.63	—
Thailand Fund	5	$10.60	—
Singapore Fund	5	$13.57	—
Australia/New Zealand	5	$9.46	—

KB-Thornton Latin American Selections Fd Plc
Conquistador 5 $7.98 — –
Dresdner-Thornton India Fund plc
India Fund 5 $103.84 — –
India Fund 5 DM103.04 — –
The Global Thornton Funds – Global Equity Fund

For Bamarib see Edinburgh

Edinburgh Unit Trust Managers (Ireland) Ltd
30 Harcourt Street, Dublin 2

Federated International Funds Plc (a)
14 Hume Street, Dublin 2 00 3531 6624244

	Selling Price	Buying Price	+or -	Yield Gr's
Atlantic Int Gt Fed Secs	$9.95		—	5.85
Short-Term US Treasury Sec	$1		—	4.87
Short-Term US Prime	$1		—	5.05
High Income Advantage	$11.10	11.66	+0.01	8.82

Federated Short-Term US Govt Securities Fund

	Selling Price	+or -	Yield Gr's
Institutional Serv Series	$1	—	4.71
Investment Series*	$1	—	4.51
Investment Gilt Series	$117.74	+0.02	4.86

*Amortised 7-Day Yield

The Fiduciary Trust Global Fund
12 Lower Leeson Street 00 3531 6613488

	Selling Price	+or -
US Bond	$10.22	—
Swiss Franc Global Bond	SFr17.30	+0.05
US Dollar Global Bond	$10.92	—
US High Growth Equity	$17.29	—
Emerging Markets Fd F1.0		—

For GT Asset Mgt (Ireland) Ltd see LGT Asset Mgt Plc

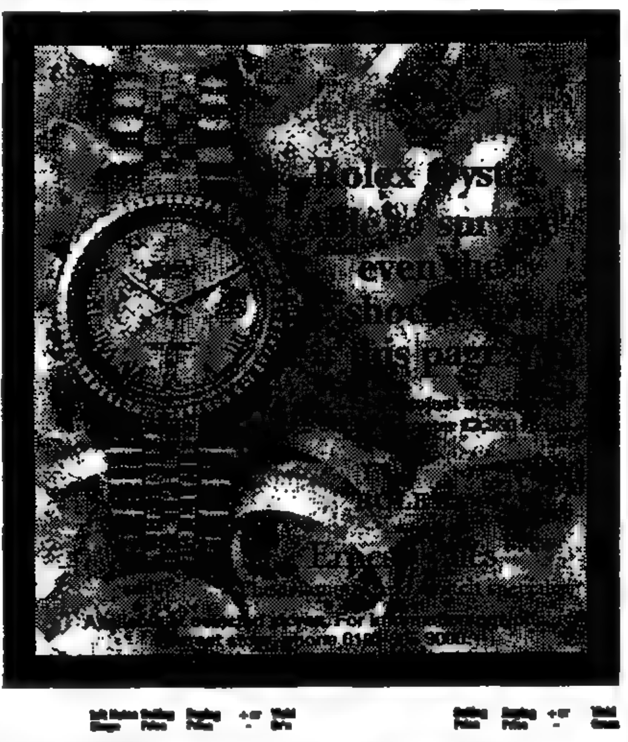
Global Asset Management
56-60 Lower Mount St, Dublin 2, Ireland 00 3531 6760 000

Guinness Flight Select Funds Plc
Europa Hse, Harcourt St, Dublin 2 00 3531 407 2800

	Selling Price	Buying Price	+or -
Madras Indian Equity A $	$23.77	25.02	00
Madras Indian Equity B $	$23.84	25.12	00
China A	$21.36	22.48	00
China B	$21.47	22.60	00

Hambros Fund Managers (Ireland) Ltd
Intl Financial Services Ctre, Dublin 1 0171 680 1871
Asian Korea Advantage $10.20 10.65 +0.02 0.00

Henderson Crosthwaite Investment Co
32 St Mary at Hill, London, EC3P 3AJ 0800 380200



Odey Asset Management Ltd
50 Harcourt Street, Dublin 2 00 3531 780 2400

	Selling Price	+or -
Odey European Gth Inc	DM150.17	—
Odey European Gth Acc	DM157.73	—
Odey European Gth Inc	£76.60	—
Odey European Gth Acc	£80.86	—

Old Mutual International Fd Mngrs Ltd (a)
67/71 Lower Mount Street, Dublin 2, Ireland 00 3531 6621366

	Selling Price	+or -	Yield Gr's
OM Galileo Euro Stkmkt	$1.305	+0.005	0.00
OM Galileo Em Asia Eq	$0.949	–0.002	0.00
OM Galileo Emer Mkt Bd	$1.380xd	+0.003	6.21
OM Galileo Emer Mkt Eq	$1.080	+0.006	0.00
OM Galileo Glbl Mgd	$1.263xd	—	0.00
OM Galileo Glbl Spec Mkt	$1.7649xd	+0.001	0.00
OM Galileo Glbl Fixed Int	$1.0749xd	+0.002	5.80
OM Galileo Hong Kong Stock	$9.77xd	—	0.00
OM Galileo Sth African Eq	$7.309	+0.002	0.00
OM Galileo US Dollar Bd	$8.86xd		5.15

Baring Mutual (Ireland) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Umbrella Fixed Inc	$12.49	12.84	—	3.01
Greater America Fund '92	$98.35		—	0.00
Pacific Emerging 94 A	$97.59		—	0.00
Pacific Emerging 94 B	$97.43		—	0.00
Latin America	$97.95		–0.40	0.00

Berkshire KITC Growth Fund Plc
NAV $9.18 –0.01 –

Berkshire Korea Fund Plc
NAV $9.12 +0.06 –

Bentley Asset (Ireland) Ltd
Bentley Japan Fd NAV Jul 5 380.00 — –

CFP Interest Rate Arbitrage Fund Plc
NAV $36.30 — 0.00

Pioneer Management (Ireland) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Global Equity Ptfo	DM13.09	13.75	–0.09	
Global Bond Ptfo	DM10.68	11.27	—	4.46
DM Cashfonds	DM1.00		—	3.17

Parisian Multi-Manager Global Fund Plc
Parisian Allegation Investments $100.00 — –

Prudential Securities Futures Management Inc

	Selling Price	+or -
Prudential-Bache Intl Futures A	$9.78	—
Prudential-Bache Intl Futures B	$9.95	—

RMB Global Fund
RMB Global Equity Ptfolio $9.78 –0.10 –

J. Rothschild International Assurance plc

	Selling Price	Buying Price	+or -
RAM US$ Managed	$10.218	10.755	+0.034
RAM £ Managed	£10.920	11.494	+0.019
SJP US$ Managed	£10.224	10.762	00
SJP £ Managed	£12.884	13.562	–0.033
M&G £ Managed	£11.433	12.034	+0.012
Scottish Amicable £ Mngd	£11.970	12.600	–0.016
North American $	$12.422	13.075	–0.011
Greater European DM	DM11.225	11.815	–0.052
UK Bond £	£11.267	11.860	–0.006
Far East £	£11.848	12.471	+0.026
Deal International Bond US$	$10.940	11.525	+0.010
Deposit	£11.011	11.590	+0.001
Deposit DM	DM11.304	11.899	
Special Deposit DM	DM11.809		+0.001
Deposit £	£11.611	12.222	+0.001
Special Deposit £	£12.103		+0.001
UK Tracker	£14.002	14.738	+0.049
Managed Currency	$11.320	11.915	+0.003
Aggressive US$	$11.178	11.764	+0.037
Balance US$	$11.157	11.744	+0.025
Cautious US$	$10.663	11.224	+0.013
Bond US$	$10.887	11.460	+0.009
N. A. Equity	$12.444	13.098	–0.011
Japan	$15.049	15.841	–0.024
Far Eastern	$14.690	15.466	+0.026
Aggressive DM	DM10.552	11.107	+0.039
Balance DM	DM11.050	11.631	+0.030
Cautious DM	DM11.169	11.756	+0.018
Bond DM	DM11.250	11.842	+0.014
European	DM12.448	13.103	–0.056
Aggressive £	£12.128	12.766	+0.022
Balance £	£11.998	12.629	+0.015
Cautious £	£11.145	11.731	+0.006
Bond £	£12.046	12.680	–0.006
Midland US$ Aggressive	$12.629	13.293	–0.008
Midland US$ Balanced	$11.713	12.329	
Midland US$ Cautious	$10.897	11.470	+0.012
Midland £ Aggressive	£12.115	12.752	–0.012
Midland £ Balanced	£11.457	12.060	–0.002
Midland £ Cautious	£10.885	11.457	+0.011

SBC CAPM Strategies Plc

	Selling Price	+or -
Class A	$10000.00	—
Class B	$11745.52	—

Samsung Yamaichi Asia Growth Fund Plc
NAV $10.81 –0.08 –

Sanwa International (Ireland) Plc

	Selling Price	Buying Price	+or -
Asian Growth	$2.227	2.439	–0.007
European Growth	$1.479	1.585	—
Global Bond	$1.118	1.194	+0.002
Global Equity	$1.304	1.410	+0.001

Scottish Amicable European/International

	Selling Price	Buying Price	+or -
Adventurous £	£1.1780	1.2378	–0.0015
Balanced £	£1.2472	1.3128	–0.0015
Conservative £	£1.1183	1.1782	–0.0007
UK Equity	£1.3976	1.4711	–0.0015
UK Fixed Interest	£1.1836	1.2461	–0.0007
UK Deposit	£1.0823	1.1407	+0.0001
UK Index Tracker	£1.3083	1.3771	+0.0046
Adventurous US$	$1.2133	1.2771	+0.0036
Balanced US$	$1.1703	1.2318	+0.0016
Conservative US$	$1.1086	1.1660	+0.0002
US Index Tracker	$1.4528	1.5292	+0.0058
US Deposit	$1.0755	1.1321	+0.0001
Euro Tracker	DM1.1829	1.2450	+0.0007
Global Balanced (UK View)	£1.1587	1.2196	+0.0004
Global Balanced (US View)	$1.1149	1.1720	+0.0009
Global Balanced (Far East View)	Y132.25	139.21	+0.06
DM Dynamisch	DM1.1178	1.1764	+0.0012
DM Ausgewogen	DM1.0684	1.1246	+0.0011
DM Sicherheitsorientiert	DM1.0414	1.0962	00
Deutsche Aktien	DM1.1469	1.2068	–0.0024
Deutsche Renten	DM1.0214	1.0751	+0.0008
Deutsche Geldmarkt	DM1.0118	1.0646	—

For Ulster Bank Global see Isle of Man (SIB)

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd
PO Box 468 St Helier Jersey 01534 883500
AIB Govett Currency Fund Limited

	Init Charge	Selling Price	+or -
Sterling Mgd Curr	5	£13.2180	—
Sterling Curr	5	£12.4624	—
ECU Mgd Curr	5	Ecu13.8300	—
US Dollar Mgd Curr	5	$26.4007	—
Irish Pound Mgd Curr	5	I£11.4189	—
Irish Pound Curr	5	I£10.7379	—
Deutschemark Mgd Curr	5	DM21.9249	—

Barclays International Funds
PO Box 152, St Helier, Jersey CI 01534 812700
Equity Funds

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Australian Eq (Inc)	5¼	£1.398	1.487	–0.008	1.0
Global Income (Inc)	5¼	[illegible]	0.6976	–0.008	2.2
Global Resources	5¼	[illegible]	0.7330	–0.0026	1.0

Currency Funds

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Stg Premium Income	C	£10.07xd		—	4.8
Sterling		£29.09		+0.010	4.7
US Dollar		$38.65		+0.030	4.1
Deutschemark		DM70.83		—	2.1
Yen		Y4336.90		—	0.0
Managed Multicurrency	C	£17.35	17.97	–0.010	–
Managed Multicurrency	C	$29.00	30.86	+0.010	–

Bond Funds
Sterling Bond 3½ C [illegible] 0.4365 +0.002 6.8

For Capital House see Newton Fund Managers

For Coutts see Ireland (SIB Recognised)

Gartmore Fund Managers Intl Ltd (z)
PO Box 278, 45 La Motte St., Jersey 01534 000000
Gartmore Capital Strategy Fund Ltd

	Init Charge	Selling Price	+or -	Yield Gr's
STG Money		£1.0080	(3)	4.60
USD Money		$1.0170	(3)	4.37
DEM Money		DM5.0390	(3)	2.21
SFR Money		SFr5.0180	(3)	1.45
FFR Money		FFr10.120	(3)	2.61
YEN Money		Y500.10	(3)	0.00
SEK Money		SKr10.220	(3)	4.60
STG Global Currency	5	£1.1410	(3)	0.00
United Kingdom	5	£3.8870	(3)	1.25
UK Smaller Companies	5	£1.5720	(3)	0.00
North America	5	$3.0570	(3)	0.00
Latin America	5	$1.2130	(3)	0.00
US Smaller Companies	5	$1.5740	(3)	0.00
Emerging Mkts	5	$2.3620	(3)	0.50
Global Resources	5	$1.2220	(3)	1.25
Global Equity	5	$4.4160	(3)	0.50
Asia Pacific	5	$4.0080	(3)	1.00
Hong Kong and China	5	$1.0390	(3)	0.00
Continental Europe	5	DM8.9430	(3)	0.50
Europe	5	DM5.8840	(3)	0.00
Japan	5	Y708.90	(3)	0
Japan Smaller Companies	5	Y623.60	(3)	0.00
Sterling Bond	3	£1.1940	(3)	8.10
US Dollar Bond	3	$1.0300	(3)	4.49
Global Bond	3	$1.3670	(3)	4.77
Yen Bond	3	Y644.80	(3)	0.78
European Bond Fund	3	Ecu1.0480	(3)	0.50

John Govett (Channel Islands) Ltd (1000)F
AIB Hse, Grenville St, St Helier, Jersey 01534 673220
Mexican Horizons 5½ $13.799 14.590 +0.029 0.00
Global Stock Inv Ltd (Fmly Govett Flexifund)

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Dollar Cash	5½	$8.048	8.151	+0.001	5.25
European Equity	5½	$9.686	10.760	–0.019	2.50
Far East Equity	5½	$22.580	23.730	–0.050	2.00
Japanese Smllr Cos	5½	$7.918	8.037		1.00
US Smaller Cos	5½	$9.110	10.090	–0.049	0.40
UK High Income	5½	£4.619	5.118	+0.008	9.00
Global High Income	5½	$8.933	9.496	+0.011	9.00

Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F
PO Box 63, Bond Street, St. Helier, Jersey 01534 604614

	Init Charge	Selling Price	Buying Price	+or -	Yield Gr's
Stg Fixed Int	3	£1.300	1.342	+0.002	7.46
Offshore High Yield	3	£1.397	1.441	—	9.24

John Govett Management (Jersey) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Central Asian Inv Co Ltd	$9.65			–
Dlr Global Balanced Hedge	$13.0187	13.650	—	0.00
Emerging Markets Inc	$8.32	8.80xd	+0.05	11.94
Hungarian Inv Co Jul 10	$118.63		+0.33	0.00
India Fund	$7.38	8.02	+0.05	0.00
Stg Balanced Hedge	£18.2225	19.0700	—	0.00
Swiss Franc Balanced Hedge	SFr9.9866	10.4400	—	0.00
Taiwan Capital Jul 11	$8.26	8.84	+0.01	0.00

Govett Safeguard Funds Ltd

	Selling Price	+or -
Hong Kong Safeguard	$9.3647	—
Fixed minimum price on Sep 26	$9.03	—
US Safeguard	$10.2234	—
Fixed minimum price on Sep 26	$10.11	—
Japan Safeguard	$9.9865	—
Fixed minimum price on Sep 13	$9.74	—
UK Safeguard	£10.1535	—
Fixed minimum price on Sep 26	£9.90	—

INVESCO International Limited
All Funds deal daily except where indicating
Sterling Denominated Income Funds

	Selling Price	Buying Price	+or -	Yield Gr's
American Equity Inc	£2.3910	2.5560	–0.0170	2.95
Japan Inc & Grwth	£1.7670	1.8860xd	–0.0080	1.07

Sterling Denominated Growth Funds

	Selling Price	Buying Price	+or -	Yield Gr's
Pioneer Markets	£3.6350	3.0810	+0.0040	–
£ Mng Portfolio	£2.3340	2.6230	+0.0020	1.48

*Weekly Dealing. †Fortnightly Dlng. **Monthly Dlng.

Jupiter Tyndall (Jersey) Ltd

	Selling Price	Buying Price	+or -	Yield Gr's
Gilt Fd	110.2	115.9xd	+0.2	8.84
(Accum Shares)	901.8	947.1	+1.4	8.84
International	447.22	469.59	+0.96	0.51

Kerry Investment Management (Jersey) Limited
Mason Pole Investment Limited

	Selling Price	+or -
Pacific Dynasty	$17.94	—
Asian Entrepreneurs	$9.16	—

Lloyds Private Banking (CI) Ltd
Lloydsbank Wldt Inv Port £3.748 3.987 — 1.12
Dealing Weekly on Thursday

Lombard Odier (Jersey) Ltd
Fixed Income Funds
Optifixe Ltd
Accumulating Classes

	Selling Price	+or -
Class A (US$ Medit)	$38.51	+0.07
Class B (US$ Mixd)	$27.90	+0.08
Class C (US$ Long)	$23.59	+0.17
Class D (Japan)	Y5517	+7.00
Class E (UK)	£31.52	+0.06
Class F (DM)	DM20.55	+0.04
Class G (DFL)	Dfl21.80	+0.03
Class H (Europe) High Yield	Ecu19.40	+0.05
Class J (SFR)	SFr14.76	+0.03
Class K (US$ Short)	$14.27	+0.01
Class M (SFR Medit)	SFr16.62	+0.06
Class N (ECU)	Ecu26.47	+0.05
Class P (BFR)	BFr185.78	+0.77
Class R (Conv.)	$18.75	–0.06
Class S (FFR)	FFr187.14	+0.40
Class V (SFR Short)	SFr112.43	+0.01
Class X (C$)	C$16.50	+0.03
Class Y (DFl Medit)	Dfl17.16	+0.04
Class 28 (Mediterranean)	SFr12.87	+0.01
Class 29 (Conv)	SFr11.32	–0.02
Class 30 (DM Short)	DM10.75	—
Class 31 SFr Global Balanced	SFr11.26	+0.02
Class 32 (NLG Short)	Dfl10.20	—

Distributing Classes

	Selling Price	+or -
Class L (Europe) High Yield	Ecu11.72	+0.02
Class T (SFR Medit)	SFr9.71	+0.02
Class Z (SFR)	SFr10.93	+0.02
Class 33 (SFR bonds conv)	SFr10.27	+0.02
Class 34 (Mediterranean)	SFr11.33	+0.01

Lomworld Financial Services Limited
Worldwide Investment $10.50 11.08 — –

Mercury Asset Mngt Channel Islands Ltd.

	Selling Price	Buying Price	+or -	Yield Gr's
Energy Int	$178.32	187.72	+0.52	–
Mercury Bond Jul 10	£29.23	30.78		5.81
Merc Money Mkt Stlg	£33.08		+0.02	4.49
Merc Int Gold & General	$2.06	2.17	–0.05	

Mercury International Inv Tst Ltd

	Selling Price	Buying Price	+or -
Cont Europe Fd	£123.92	132.72	+0.21
Nth America Fd	£93.94	98.86	–0.19
Japan Fd	£55.01	58.62	–0.05
Pacific Fd	£95.33	102.06	–0.63
Reserve Fd	£47.95	50.39	–0.03

Minerals, Oils Res. Shrs. Fd. Inc.
Mores Jul 11 $19.81 20.32 +0.09 2.12

Newton Fund Managers (CI) Ltd
Corporate Money Ltd £10.02 — 5.37

Northgate Unit Tst. Mngr. (Jersey) Ltd
Pacific Fund Jul 11 $50.84 54.17 –1.39 –

JERSEY (REGULATED)(**)

ISLE OF MAN (REGULATED)(**)

FT MANAGED FUNDS SERVICE

Offshore Funds and Insurances

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Perpetual UT Mngrs (Jersey) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Offshore Am Gwth Fd	$11.1224	11.8198	–	–
Offshore Emerging Cos	$7.6116	8.0889	–	–
Offshore Far East Gwth Fd	$5.0943	5.4138	–	–
Offshore Intl Gwth Fd	$6.0684	6.4500	–	–
Offshore Japanese Gwth Fd	$1.3178	1.4005	–	–
Offshore UK Growth Fd	$3.7447	3.9795	–	–
Offshore Asia Smaller Mkts	$1.7753	1.8867	–	–
Offshore Latin Amer Growth	$7.1028	7.7718	–	–
Offshore European Gwth Fd	$2.0647	2.2242	–	–
Offshore Global Bond	$0.9480	0.9876	–	–
Offshore Global Bond Acc	$1.1227	1.1695	–	–

The Portugal Fund Limited

Lloyds Bank International (Jersey) Limited

NAV Jul 5 .... $7.10

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Ivory Growth Fund	£23.35	23.58	–	1.14
Lowes Aggressive Portfolio	£11.43	12.03	–	–
Lowes Defensive Pfolio	£12.06	12.70	–	–
Lowes Collective Pfolio Ltd	£11.28	11.84	–	–

For Scorpio see Kemp Gee see Hambros

TSB Fund Managers (CI) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
TSB Island Pension	719.7	757.7	-0.4	–
Island Equity Acc	125.4	132.0	-0.1	–

WMG Asset Management (Jersey) Ltd

Worldinvest (Managers) Jersey Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Worldinvest Inc Fd †	$252.18	253.43	-0.58	5.80
Excalibur Global Eqty $ *	$90.88	91.39	–	–
Excalibur Stg Global Fixed Inc *	£11.58	11.63	–	5.00

Valued weekly * Mondays † Wednesdays

LUXEMBOURG (SIB RECOGNISED)

ABN AMRO Funds (u)

4 Rue Jean Monet, L-2180 Luxembourg

	Selling Price	Buying Price	+ or -	Yield Gr's
Latin America Equity	$48.09	49.72	–	–
North America Equity	$73.03	73.40	–	–
Asian Tigers Equity	$81.70	82.32	–	–
Europe Equity	$88.54	88.88	–	–
Germany Equity	DM124.13	124.85	–	–
Japan Equity	$50.97	51.48	–	–
Europe Bond	$58.42	58.57	–	–
US Bond	$58.73	58.83	–	–
Global Bond	$58.19	58.34	–	–
Germany Bond B	DM110.39	110.58	–	–
Spain Bond	Pta9430	9454	–	–
Eastern Europe Equity F	DM178	178.28	–	–
China Equity F	$52.78	53.42	–	–
Switzerland Equity	SFr124.38	125.17	–	–

Abtrust Fund Mngrs Luxembourg SA (u)

American Phoenix Investment Portfolios (u)

BAII Asset Management Ltd

Bank Von Ernst & Cie AG

Banque Indosuez

Barclays Diversified Portfolio (z)

Barclays Inv Funds (Luxembourg)

CMI Asset Management (Luxembourg) SA

Chase Manhattan Vista Funds

Comgest SA

Commercial Union Luxembourg SA (u)

DB Investment Management SA

Dacsko Fund (u)

Den norske Bank

Dolphin Intl Investments (u) SICAV

Dresdnerbank Asset Mngmt SA (u)

E.T. Investment Management Ltd

Eighter Global SICAV (u)

	Selling Price	Buying Price	+ or -	Yield Gr's
Equity Portfolio Jul 11	$2.566		-0.044	–
Reserve Portfolio Jul 11	$2.034		-0.003	–

EquiFund–Wright National Eqty Fd (u) (x)

Fidelity Funds (u)

Fleming Group (u)

Foreign & Colonial Emerging Markets Ltd (u)

Foreign & Colonial Portfolios Fd Sicav(u)

Frontrunner 1 (u)

Gartmore Luxembourg SA (u)

HSBC Investment Funds Luxembourg SA (u)

Henderson Management SA (u)

INVESCO International Limited (u)

Jefferies

Jupiter Tyndall Global Fund

Kleinwort Benson Japanese Warrant Fund

Kleinwort Benson Select Fund (u)

Liberty Newport World Portfolio (u)

Lloyds Bank Luxembourg

Manulife Regent Global Fund (u) (z)

Mercury Asset Management S.A.

Midland Intl Circuit Fund SICAV(u)

For Nikko see Luxembourg (Regulated)

Nikko Global Umbrella Fund

Nomura Global Fund (u)

PRICOA Worldwide Inv Portfolio Sicav (u)

For Regent Global see Manulife Regent Global

Rothschild Asset Management

S-E-Banken Luxembourg SA

Sarasin Investment SICAV (u)

Schroder International Selection Fd (u)

Scottish Equitable Intl Fund SICAV (u)

Sun Life Global Management Ltd (u)

Svenska Selection Fund SICAV

Templeton Global Strategy Funds

Thornton Investment Management Ltd

Threadneedle – Threadneedle Global Assets (u)

LUXEMBOURG (REGULATED)(**)

Aetos International Umbrella Fund (u)

Alliance Capital

Amex Bank (Switzerland) Ltd

Ameriswiss Fund SICAV

The Archipelago Fund Sicav

Asian Development Equity Fund

Atlantas Sicav

BNP

Banque Ferrier Lullin (Lux) SA

Banque Indosuez Luxembourg

For Banque Pictet see Pictet Group

Banque Scandinave En Suisse

BB Clemente Taiwan Premier Fund

BA – Keystone Asia Premier Fund

Blakeney Management Ltd

CB Fund International (u)

CSFB Umbrella

Capel-Cure Myers Intnl Fd Sicav (u)

Carlson Investment Management

Citicorp Investment Mgmt (Luxembourg) SA

Citinvests SA

Clan European Asset Value Fund

Clements Korea Emerging Growth Fund

Cox & Kings Overseas Fund

Credis Investment Funds

Credis Investment Funds - Contd.

Credit Commercial de France

Daiwa Japan Gen Fund

Daiwa Japan Small Equity Fd (u)

Dicam Worldwide Investment Fund

The Dragon Fund Sicav

Emerging Markets Brewery Fund SICAV

Europe Value Fund (u)

EurOptec (u)

FMG Mir SICAV

Fidelity Intl Inv Mngt (Luxembourg) SA

Fidelity Investment (CI) Ltd

The First Korea Smaller Companies Fund

Fleming Group

Fondinvest Mgmt Company SA (Umbrella Fund)

Foreign & Colonial Emerging Markets Ltd

Framlington Russian Investment Fund

Global Funds Management S.A. (u)

Global Futures & Options SICAV

Goldman Sachs

HSBC NAPT Luxembourg SA

HTR India Fund – SICAV

HYPO Capital Mgmt Invest Luxembourg SA

Henderson Independent Fund

International Bond Trust

INVESCO International Limited

InverSud Investment Fund SICAV

Investissements Atlantiques SA

Kleinwort European Mid Fd Management SA

Korea Golden Gate Fund

Lloyds Bank Luxembourg (u)

Lombard Odier Invest (u)

MC Securities Limited London

MFS International Funds

MacPherson Umbrella Fund

Mercury Asset Management SA

Merrill Lynch Asset Management

Merrill Lynch Asset Management - Contd.

Monterey Trust SICAV

Morgan Stanley Sicav

Murray Universal, Sicav

NCAM Asia Pacific Umbrella Fund

Nikko Bank (Luxembourg) S.A.

Nikko Capital Management

Nomura Asian Infrastructure Fd SICAV

Pacific Basin Growth Fund

Pan-Holding SA

Pictet Group

RBS Global Funds

River & Mercantile Latin American SICAV

Rosenberg Global Mngt Co SA (u)

Rosenberg Management SA (u)

Rosenberg US Japan Mngmt Co SA (u)

Rothschild (Group Edmond de)

SCI/TECH SA

Scudder, Stevens & Clark

Security Capital US Realty

Societe Generale Emerging Europe Asset Mgt

Societe Generale Group

State Street Luxembourg SA

Suecia Securities

For Svenska see Luxembourg (SIB recognised)

Swiss Bank Corporation

TCW Luxembourg Funds

Target International Ltd

Templeton Emerging Asia

Templeton Russian & East European Debt Fd

Tower Fund

For UBAM see Union Bancaire

Unico Financial Services SA Lux

Union Bancaire Privee

VLS Finance Ltd India

Van Kampen American Capital Navigator Funds

WP Stewart Global Growth Fund

"WINTERTHUR" Fund Mngmt Co (Lux) SA

For World Bond Fund see Mercury Asset Management

World Trust Fund

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co.

Abtrust International Ltd

Albany International Assurance Ltd

Allied Dunbar International Assce Ltd (z)

CMI Insurance Co Ltd

CMI Ins Co Ltd/Clerical Med Gen Life Assce

CMI Ins Co Ltd/Clerical Med Gen Life Assce - Contd.

Eagle Star Intl Life

Eagle Star Hse, Athol St, Douglas, IoM 01624 682268

* Prices quoted are Sterling equivalent.

Equitable Life (International)

Albert Hs, Sth Esplanade, St Peter Pt, Gsy 01481 716021

Equity Fund Managers

Eurolife Assurance Group

Eurolife Hse, 16 St John St, EC1M 4AY 0171-454 1181

Finasco International Ltd

PO Box 133, St Peter Port, Guernsey 01481 713100

Administered by Old Mutual International (Guernsey)

Friends Provident International

Hansard International Ltd.

Irish Life International Ltd

Lower Abbey Street, Dublin 1

Isle of Man Assurance Ltd

IOMA House, Prospect Hill, Douglas, IoM 01624 624141

Lebrow International Group

Midland Life International Ltd

1 College Green, Dublin 2

Old Mutual Guernsey

PO Box 121, St Peter Port, Guernsey 01481 726726

Old Mutual Hong Kong

Old Mutual International (Guernsey) Ltd

PO Box 121, St. Peter Port Guernsey 01481 726726

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GOVERNMENT BONDS

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

PanEuroLife societe anonyme
30 Av Marie-Therese, Luxembourg 00 352 456730
French Balanced Jul 10 FFr6759.65 −43.15
German/Benelux Jul 10 DM5020.15 −22.27
Global Equities Jul 10 $1340.77 −22.23
UK Secure Gth Jul 10 £781.80 +0.10
US Secure Growth Jul 10 $1129.29 −28.85
Intl Real Estate Jul 10 Ecu1357.00 −23.66
Fund of Funds Jul 10 Ecu1207.59 −16.10

Premier Life
1 rue Emile Bian, Luxembourg

Professional Investment Consultants

Royal Life International
Royal Court, Asbury Rd, Castletown IoM

Royal Skandia Life Assurance Ltd

Aravis Capital Advisors LLC
Aravis Clipper Ltd $105.57

Arc Investment Company Ltd
Rainbow $509.02
Rainbow SFr510.13

Aristocrat Capital Management Ltd
Aristocrat Endeavor Fd $20.23

Arnhold and S. Bleichroeder, Inc

Asia Pacific Capital Strategies Fund

Asia Pacific Securities Corp Ltd

For Asia Pacific Investment Consultants see Ingrec Asia Pacific

Asian Convertibles & Income Fd (Cayman)
NAV Jul 4 $12.89

Aurora Funds

BEA Associates

BZW Investment Management (HK) Ltd

BZW Nikko US IT

Julius Baer Bank & Trust Co Ltd

Bahia Fund

Banco do Brasil-BB Fund

Credit Agricole Group/Segespar

Credit Lyonnais Intl Asset Mgmt (HK) Ltd (1200)

Creditanstalt Investment Co (Prague) as

Crosby Asset Management Ltd

Crystal Corporation N.V.

Crystal Fund Managers Ltd
Crystal Fund Ltd
Crystal I May 31 $9.510 10.011

DWS Deutsche Ges. F. Wertpapiersp

Daehan Investment Trust Co Ltd

Daiwa APT Japan Fund

Daiwa Intl Capital Management (H.K.) Ltd

Daiwa International Capital Mngt (Sgp) Ltd

Deltec Panamerica Trust Company Ltd

Discover Investment

Gems Management

Genesis Fund Managers Ltd

The Geo Summit Fund

Gartmore SA

Global Asset Management

Indosuez Asset Mngt Latin America SA
Brazil Brady Jul 10 $168.9255
Brazil Fixed Income Jul 5 $16178.24

Integral Hedged Assets Ltd
UK Sentinel £11.47
American Sentinel £13.08
Japanese Sentinel £09.90
Continental Europe Sentinel £10.44

For Integral Bond Arbitrage see Bermuda Reg

Intermarket Technical Group
Technical Fund $9.89

International Investment Advisors LP

The International Investor

The Jaguar Fund N.V.
NAV Jul 3 $767.59

Jardine Fleming Inv Mngt Ltd

Jardine Fleming Unit Trusts Ltd

Johnson Fry Securities Ltd
US Mezzanine Bond Futures Fd. £110.53

The MC Omnia Fund LP
NAV Jul 3 $103.04

MD Sass Re/Enterprise International Ltd

MFS Meridian Funds

McGinnis Global Fund Ltd
NAV Jun 30 $1642.83

Magellan Emerging Mkts Mngt (Jersey) Ltd

Magnum Funds

Magus Asset Management

Malaysia Capital Fund Ltd

Malaysia Fund (Labuan)

Malaysia Growth Fund

E D & F Man Investment Products

PFM Israel Growth Fund Ltd
Israel Growth $4.01 4.26 −0.10

PFPC International Ltd

PRS International

Pactual

Parkdale Fund

Panther Capital Advisors
Panther Fund Jun 27 $11.18

Paragon Limited

Park Place Capital Limited

Pequot International Fund Inc

Peru Select Group of Funds Limited
Peru 2000 $11.10

Philippine Income Fund Inc

Phoenix Four, Inc

Power Capital Limited

For Private Asset Mgmt see Proton BAM Fund

The Private Client Portfolio

Soditic Asset Management Inc

Soloer Capital Inc

The Southeast Asia Frontier Fund (SEAFF)

Carl Spangler KAG

Sri Lanka Growth Fund

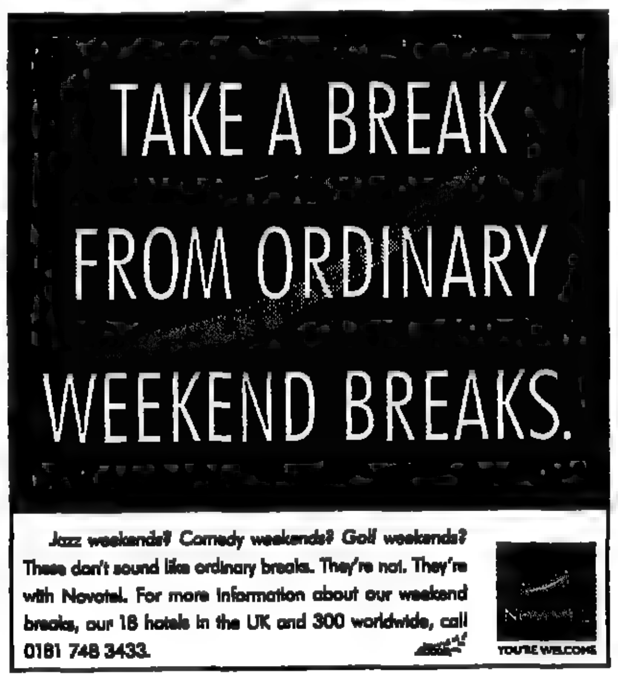
State Street Banque SA

Stephen Brooks Partners

Strome Offshore Limited

Summit Money Management (Bermuda) Ltd

Swiss Bank Corporation



Global Atlic Inc

Global Convertible Megafund
NAV Jun 30 $116.47

Global Investment Fund Ltd

Global Leveraged Futures Fund
NAV Jul 8 $22.34

The Global Managed Investec Bond Limited

Jupiter Tyndall (Bermuda) Ltd
Jupiter Tyndall Specialist Fund Ltd
Brazil Class $1.11 1.17 +0.08
Mexico Class $1.24 1.31 −0.02

KI Asia Pacific Fund Ltd

Sun Alliance International Life
PO Box 77, Les Echelons Ct, St Peter Port, Gsy 01481 714108
US Dollar Global Managed $2.02 2.16
Stg Global Managed £2.02 2.19

Sun Life International (IOM) Ltd
Bridge House, Castletown, Isle of Man
Tel: 44 (0) 1624 825000 Fax: 44 (0) 1624 825010
Prices Line: 44 (0) 1624 824740
Aggressive Managed £1.441
Balanced Managed £1.322
Defensive Managed £1.260
Sterling Income £1.233
Sterling Guaranteed Money £1.218
Offshore Deferred Distribution £1.315

OTHER OFFSHORE FUNDS

ATSP Management Ltd
Philippines Long Term Equity
NAV Jun 30 $43.29 +7.82

AXA Asset Management
AXA Valeurs FFr162.80
AXA Europe Actions FFr273.75
AXA NPI FFr124.53

Acciones y Valores de Mexico SA de CV

Africa Emerging Markets Fund
NAV Jun 9 $11.35

Agribusiness Fund Management Co
ABC Bond $10.00
Citrust $1.09

Alliance Capital

Allied Dunbar International Fund Mngrs (1600)F
ADI Emerging Asia $0.7558 0.8058 −0.0047

Alnista Capital Management Ltd

Alpha Fund Management Ltd

Champion Global Fund Management Ltd

Chesapeake Capital Corporation

Chescor Indian Investment Company Ltd

The China Fund

The China Invest & Development Fd Ltd
Red Pig Pref NAV Jun 30 $11.23

Citibank Global Asset Mgmt (Asia) Ltd
Nippon Fd $91.95

Chizens Investment Trust Mgt Co Ltd

City & International Securities Ltd

Clariden Bank

Coast Asset Management Corporation

Columbus Asset Management Ltd

Conzer Asset Management Ltd

Cowen Enterprise Fund N.V.
Class A Shares $1130.56
Class B Shares $1753.29

Craig Drill Capital Ltd

Credis Investment Funds

Worldwide Limited
NAV Jun 30 $51.07

Xiphias International Investment Fd Ltd

Zanett Lombardier Ltd

Zuleuf Investment Management AG

Zweig-DiMenna International Limited
NAV Jun 30 $15377

● MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales.

(*) Funds not SIB recognised. The regulatory authorities for these funds are:
Bermuda - Bermuda Monetary Authority
Guernsey - Financial Services Commission
Ireland - Central Bank of Ireland
Isle of Man - Financial Supervision Commission
Jersey - Financial Services Department
Luxembourg - Institut Monétaire Luxembourgeois.

Initial charge - Charge made on sale of units.
Selling price - Bid or redemption price.
Buying price - Offer or issue price.
Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols:
- (✦) 0001 to 1100 hours
- (✦) 1101 to 1400 hours
- (▲) 1401 to 1700 hours
- (#) 1701 to midnight
- E Exit charge on sale of units.
- C Manager's periodic charge deducted from capital.
- H Historic pricing F - Forward pricing
- b Distribution free of UK taxes.
- p Periodic premium insurance plans.
- s Single premium insurance.
- e Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities).
- x Offered price includes all expenses except agent's commission.
- c Previous day's price.
- ⊠ Guernsey gross.
- ✦ Yield before Jersey tax.
- † Ex-subdivision. xd - Ex-dividend.
- ‡ Only available to charitable bodies.
- ◆ Yield column shows annualised rates of NAV increase.

The fund prices published in this edition are also available at the Financial Times' web site, http://www.ft.com

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

BANKS, MERCHANT

BANKS, RETAIL

BREWERIES, PUBS & REST

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

CHEMICALS - Cont.

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING - Cont.

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

EXTRACTIVE INDUSTRIES - Cont.

FOOD PRODUCERS

FOOD PRODUCERS - Cont.

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

Approved by the Inland Revenue

INVESTMENT TRUSTS - Cont.

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

INV TRUSTS SPLIT CAPITAL

Approved by the Inland Revenue

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GOVERNMENT
BONDS

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

[illegible]

OTHER INVESTMENT TRUSTS

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LEISURE & HOTELS - Cont.

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

OTHER FINANCIAL - Cont.

[illegible]

PAPER , PACKAGING & PRINTING

[illegible]

PHARMACEUTICALS

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

RETAILERS, GENERAL - Cont.

[illegible]

SUPPORT SERVICES

[illegible]

SUPPORT SERVICES - Cont.

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

AIM

[illegible]

AIM - Cont.

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

[illegible]

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Extel, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices over a rolling 52 week period.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IIMR 'Headline Earnings' formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

☐ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
• Highs and lows marked thus have been adjusted to allow for capital changes
† Interim since increased or resumed
‡ *Interim since reduced, passed or deferred*
♦ Figures or report awaited
♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
♣ Free annual/interim report available, see details below.
✲ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
‡‡ Rule 4.2(a) Irish incorporated non-listed companies.
§ Price at time of suspension
¶ Indicated dividend yield after pending scrip and/or rights issue.
♠ Merger bid or reorganisation in progress
§ Forecast dividend yield: p/e based on earnings updated by latest interim statement.
♦ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
z Dividend yield includes a special payment

F Yield based on prospectus or other official estimates for 1996-97.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1995.
K Yield based on prospectus or other official estimates for 1996
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1995-96.
N Dividend is paid in whole or part as a

FID (Foreign Income Dividend)
R Forecast annualised yield, p/e based on prospectus or other official estimates.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1350 a year for each security shown, subject to the Editor's discretion

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To order, call 0121 200 4678.
Reports published by ShareFinder Ltd.

FT Cityline

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An international service is available for callers outside the UK, annual subscription £250 stg.
Call 0171 873 4378 for more information on FT Cityline.
For readers phoning from outside UK, please dial +44 in place of the first 0.
The share prices printed on these pages are also available on the internet at www.FT.com.

MARKET REPORT

Big slide on Wall St wipes out London's gains

By Steve Thompson,
UK Stock Market Editor

A promising start to the day by UK equities was demolished during the early afternoon by another slide by Wall Street, which threatened to register its second 100-point fall on the Dow Jones Industrial Average in six days.

Wall Street's retreat was prompted by a profits warning issued by Hewlett Packard, the US computer group, whose shares fell sharply at the opening, dragging down other high-technology stocks. The Hewlett Packard news had all *the more impact on Wall Street,* given the poor second-quarter figures released by Motorola earlier in the week.

But Mr Bob Semple, equity market strategist at NatWest Securities, said the fall on Wall Street was "specific to technology stocks and therefore of less concern to London. The worries for London will come if the Dow breaks down below 5,400."

UK shares had quietly repaired the damage inflicted by last Friday's 115-point slide in the Dow and at one stage, very early in the session, looked like providing the ammunition to take the Footsie near to the 3,800 level.

Ahead of a respectable June infla*tion report, the Footsie* kicked off the session in good heart and posted an 11-point plus rise within 30 minutes of the opening.

A minimal rise in inflation during June, giving a year-on-year increase of 2.1 per cent, was seen as doing little harm to the chances of a further reduction in UK interest rates before the end of the year.

The gilts market gave some early cause for concern, with the 10-year issue slipping back four ticks, before rallying to eventually close 7 ticks higher.

The news from the US wiped out the remnants of a good early gain in the FT-SE 100 index. With the Dow on the slippery slope, London never looked like panicking but retreated in orderly fashion, finally closing a net 16.8 off at 3,749.0, a shade above the day's low.

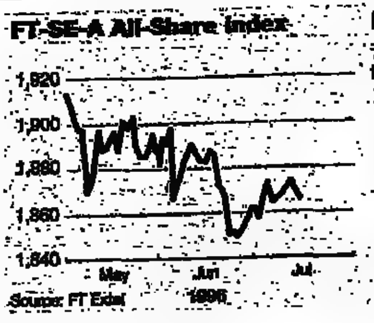
Just as the second line stocks never really mirrored the gains of the leaders, they held up rather better than the front line issues in the afternoon, leaving the FT-SE Mid 250 index 8.5 down at 4,343.8.

Commenting on the latest move by Wall Street, a senior marketmaker at one of the European brokers said London had put up an impressive performance: "There was no panic here, just a measured reaction; there does seem to be evidence of a decoupling of European markets from Wall Street."

He said the market would adopt a "wait and see" attitude and pointed out that US bonds had given a resolute showing yesterday, posting small gains during early trading. Another top trader said he would want to see the US equity market register a three-figure fall on consecutive days before he became overly worried about London.

London's overall lack of enthusiasm in the face of the Dow's drop was illustrated by the low level of turnover in equities. At the 6pm count turnover was a poor 669.3m shares, split pretty evenly between Footsie and non-Footsie stocks. Rather surprisingly, the value of genuine customer business on Wednesday was £2bn, the highest daily total since June 20.

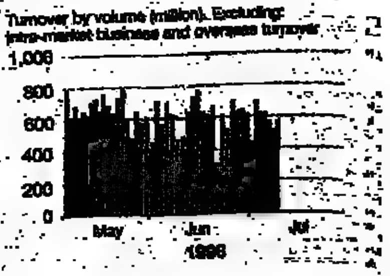
FT-SE-A All-Share Index



Source: FT Extel

Equity shares traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



Indices and ratios

FT-SE 100	3749.0	-16.8
FT-SE Mid 250	4343.8	-8.5
FT-SE-A 350	1884.9	-7.4
FT-SE-A All-Share	1867.02	-7.19
FT-SE-A All-Share yield	3.85	3.83
FT Ordinary Index	2760.8	-7.4
FT-SE-A Non Fins p/e	16.25	16.88
FT-SE100 Fut Jul	3745.0	-19.0
10 yr Gilt yield	7.85	7.89
Long gilt/equity yld ratio:	2.15	2.16

Best performing sectors

1	Gas Distribution	+1.0
2	Engineering: Vehicles	+0.8
3	Chemicals	+0.5
4	Electronic & Elect Equip	+0.5
5	Building Matls & Merchs	+0.4

Worst performing sectors

1	Tobacco	-1.5
2	Telecommunications	-1.3
3	Breweries: Pubs & Rest	-1.1
4	Retailers: General	-1.0
5	Leisure & Hotels	-1.0

ICI steers clear of sell-off

ICI stood tall amid the general unhappiness as some investors who had sold it down after the April profits warning decided enough was enough.

The gain of 14 to 812p, assisted by a certain amount of buying by US investors, continued a rehabilitation begun a week ago, after the stock touched a six-month low.

There has been no significant fundamental change in the company's fortunes. However, most brokers had set price targets of between 750p and 780p, and once the shares moved below the upper end of that range some removed their sell recommendations and took a more neutral stance.

While the removal of pres*sure has allowed the shares to* drift higher, they still remain a considerable distance from the 954p peak achieved in April. At its current level, ICI is on a prospective yield premium to the market of about 12 per cent.

The interim figures are due in two weeks time.

Barclays rumours

Although Barclays trod water yesterday, bank sector dealers were beginning to speculate about big corporate *changes at the time of the* interim figures due for release early next month.

There is a feeling that Barclays is keen to divest part or all of its BZW securities arm, and the possibility has been mooted that Commerzbank, of Germany, would be a willing buyer.

Credit Lyonnais Laing believes the investment banking side is worth up to £2bn, while the asset management side could attract about £1bn.

Also, Barclays is throwing off cash and the possibility of a share buy-back is becoming more probable by the day. Barclays shares finished 3 easier at 792p, although turnover remained relatively light at 2.9m shares.

Great Universal Stores fell 35 to 637p after analysts were disappointed by full-year results and a trading update.

There was also disappointment because there was no indication as to whether the group will launch a share buy-back.

NatWest Securities downgraded its forecast from £657m to £607m, while the more bearish UBS reduced its estimate *from £600m to £575m,* excluding VAT rebates. BZW remained a buyer of the stock, with some optimism over the medium term under the group's new management.

There was a mixed response to Marks and Spencer, which slipped 3 to close at 484p after the annual meeting that neither overly excited nor disappointed analysts.

Forecasts were slightly adjusted to form a tighter cluster than the previous wide range. Analysts said M&S was confirming that consumption *was picking up, but GUS's* results showed the recovery to be selective.

Airbus speculation got behind British Aerospace, with the London market awash with rumours of an imminent big order.

Best bets centred on a contract for 45 jets worth $1.8bn *from GE Capital Aviation,* part of General Electric, of the US, and a major aircraft leasing company. Reports from Paris suggested that Airbus could sign a deal next week.

It was heady stuff, and BAe, which has a 20 per cent stake in the Airbus consortium, ended 5 up at 963p, after 967p.

Sentiment was also bolstered by talk of a better than expected Saudi Arabian budget.

British Gas improved 2 to 167½p, as one of the longest standing bears of the stock finally decided it looked cheap enough to buy.

SGST, which has been a seller for years and was arguably the first broker to argue that the company will have to cut its dividend, has altered its stance to "trading buy".

Energy analyst Ms Irene Himona said: "The stock has collapsed on the back of the regulatory review. We still believe the dividend will be cut *by 25 per cent to 11p but, on* our forecasts, that implies a share price of 215p.

Aggregates leader Tarmac bounced 3¼ to 108p to claw back part of Wednesday's shakeout and head the FT-SE Mid 250 index rankings in the process.

Amid vague talk of the bid spotlight falling on Tarmac as a result of the takeover saga surrounding aggregates group Ennemix, there was no shortage of buyers around. Volume was substantially above average at 9.7m shares.

Aggregates deals are something of a City theme at the moment. French giant Lafarge has an agreed deal on the table for Ennemix, in which RMC has a 3 per cent stake and Redland a 41 per cent holding.

Most dealers discounted the chances of an offer for Tarmac, pointing to a market capitalisation of £12m at Ennemix. "Tarmac sits on a price tag of well *over £1bn," said an analyst.*

The early crunch for Wall Street cast a deep shadow over telecoms shares, standing BT on its head and pushing Orange further below its March flotation price.

By lunchtime, BT was up 3 for a 14 gain since Friday's close. The stock ended 4 down at 347p. Orange fell 8 to 196p, against a flotation price of 205p.

The recovery story at Tomkins, the conglomerate, continued to unfold with the shares, again solidly traded, adding a further 4 to 269p to top the Footsie performance charts.

The stock has risen 11 per cent since last week's upbeat presentation to analysts spelt out more fully the strength of current trading and the impact of the $1.4bn takeover of Gates Rubber of the US. BZW reiterated "buy" advice yesterday.

Hanson, hit by a negative note from NatWest Securities on Wednesday, fell to a seven-year low after another big two-way pull had propelled turnover up to 32m. The stock ended off 2 at 167p.

BAA's traffic numbers for June were around a percentage point down on the City consensus for the airports group, and the shares eased 2 to 471p. "These figures have done nothing to bolster sentiment ahead of next week's regulatory review", said one trader.

The application to the Office of Fair Trading by Inntrepreneur Pub Company to allow it to maintain a beer tie on its pubs after March 1998, dominated the drinks sector.

The main fear was that OFT approval would result in Inntrepreneur – jointly owned by Grand Metropolitan and Foster's – being able to negotiate bigger discounts, which would adversely affect beer wholesale prices generally.

Scottish & Newcastle, an important supplier to Inntrepreneur pubs, fell 10 to 656p and Bass lost 13 to 822p. How*ever, one analyst said the mar*ket's thinking was muddled, as Bass could pick up market share should approval be given and Inntrepreneur would only be enjoying the discounts that other pub groups enjoyed.

Grand Metropolitan rose 5 to 442p on the back of the application with analysts speculating that it and Fosters would like to float Inntrepreneur.

Merrill Lynch was said to be positive on property shares, which helped boost several stocks in the sector, including MEPC, which put on 3 at 413p, while Regalian Properties firmed 2¼ to 32p.

MARKET REPORTERS:
Peter John, Joel Kibazo,
Jeffrey Brown, Lisa Wood.

FINANCIAL TIMES EQUITY INDICES

	Jul 11	Jul 10	Jul 9	Jul 8	Jul 5	Yr ago	*High	*Low
Ordinary Share	2760.8	2768.2	2755.6	2748.3	2743.9	2574.4	2885.2	2628.7
Ord. div. yield	4.03	4.02	4.05	4.06	4.07	4.13	4.12	3.76
P/E ratio net	16.36	16.40	16.30	16.25	16.22	16.12	17.25	15.96
P/E ratio nil	16.29	16.30	16.20	16.15	16.13	15.85	17.03	15.76

Ordinary Share index since compilation: high 2885.2 19/04/96; low 49.4 26/06/40. Base Date: 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2772.8	2775.6	2777.7	2775.7	2779.6	2776.0	2773.2	2769.0	2768.2	2780.3	2760.8

	Jul 11	Jul 10	Jul 9	Jul 8	Jul 5	Yr ago
SEAQ bargains	28,182	29,145	29,123	32,026	30,995	24,615
Equity turnover (£m)†	-	2042.8	1623.5	1369.1	1736.6	1545.5
Equity bargains†	-	32,971	35,188	36,596	37,405	37,397
Shares traded (mil)†	-	786.7	676.0	515.1	677.1	792.8

†Excluding intra-market business and overseas turnover.

	Jul 11	Jul 10	Jul 9	Jul 8	Jul 5	Yr ago	*High	*Low
FT-SE AIM	1073.10	1075.10	1077.10	1079.20	1086.20	-	1140.40	965.70

*For 1996.

■ London market data

Rises and falls*		52 Week highs and lows		LIFFE Equity options	
Total Rises	379	Total Highs	42	Total contracts	45,969
Total Falls	873	Total Lows	54	Calls	23,256
Same	1,467			Puts	22,713

July 11 *Data based on Equity shares listed on the London Share Service.

FUTURES AND OPTIONS

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	3768.0	3745.0	-19.0	3775.0	3738.0	10933	[illegible]
Dec	3775.0	3766.0	-18.5	3775.0	3775.0	220	1531

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	4316.0	4347.0	-6.0	4315.0	4315.0	16	3748

■ FT-SE 100 INDEX OPTION (LIFFE) (*3763) £10 per full index point

	3600		3650		3700		3750		3800		3850		3900		3950	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Jul	163½	1½	108½	3½	54½	9½	22	27½	6	62	1	110	1	160	1	210
Aug	153½	14½	116	24	74½	36	47	59	25	88	12	124	4½	167½	2	215
Sep	172½	30	135	42	102½	59	73½	79	50	106½	32½	139	19	176	10½	218½
Oct	190½	43½	154½	57	123	75	94	96	70½	122	50½	152½	34½	187	23½	228½
Dec†	226	68½			161½	101			116	147½			88½	208½		

Calls 9,847 Puts 10,032

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3575		3625		3675		3725		3775		3825		3875		3925	
Jul	178½	1	121½	2	78	6½	37	17	12½	42	2	81½	1	130	1	180
Aug	174½	12½	132	20	94½	32	61½	46½	35½	72½	18	105	8	145	3	189
Sep	190	21½	158½	32	114½	46½	83½	64	57	87	35	115	22½	151	13	191
Dec			215	78			153½	113½			101½	159			63	218
Mar†			259	111½			199½	145			148	192			165½	245½

Calls 5,279 Puts 6,642 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1996 High	1996 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
§120	F.P.	13.6	136	132	AFA Systems	135		-	-	-	-
*	F.P.	669.7	£19⅞	£18⅞	Alumax	£19⅞	+⅛	-	-	-	-
§170	F.P.	19.6	185	160	†Circle Comms	160		-	-	-	-
§122	F.P.	23.1	140	133	†Cirqual	140		-	-	-	-
-	F.P.	5.94	19	18	Concurrent Techn	19		-	-	-	-
§3	F.P.	3.07	4	4	†Drings of Bath	4		-	-	-	-
§146	F.P.	31.1	153	146	†Elec Retail Sys	146		-	-	-	-
-	F.P.	19.9	96	66	†Independent Br H	78xd		-	-	-	-
84	F.P.	18.1	86	71	†Intelligent Envs	81	-4	-	-	-	-
175	F.P.	301.8	198	169	Jarvis Hotels	171½		-	-	-	-
§8	F.P.	6.62	8	4	†Lotteryking	6		-	-	-	-
§	F.P.	0.26	1½	1	†Lotteryking Wts	1½		-	-	-	-
-	F.P.	1.38	19	18	NECA	18		-	-	-	-
172	F.P.	407.4	227	172	Pace Micro Techn	190	+7	R2.4	2.4	1.6	31.5
§3	F.P.	7.86	3¾	3½	†Pordum Foods	3½		-	-	-	-
-	F.P.	0.33	1½	1½	†Pordum Foods Wts	1½		-	-	-	-
140	F.P.	20.9	172	164	†Sinclair M'trose	172		-	-	-	-
90	F.P.	5.19	91	88	†Solid State Sppl	88	-3	-	-	-	-
225	F.P.	31.7	299	225	†Stellware	274		-	-	-	-
-	F.P.	1,222	245	217	Sun Life & Prov	217	-1	-	-	-	-
85	F.P.	35.0	123	109	Vocalis Group	109	-4	-	-	-	-
-	F.P.	23.5	163	148	†Whittard of Chls	148		-	-	-	-

† Alternative Investment Market. § Placing price. * Introduction. For a full explanation of all other symbols please refer to The London Share Service notes.

FT GOLD MINES INDEX

	Jul 10	% chg on day	Jul 9	Year ago	Gross div yield %	P/E ratio	52 week High	52 week Low
Gold Mines Index (32)	2136.03	+4.9	2110.87	2391.76	1.46	-	2329.73	1722.93
■ Regional Indices								
Africa (13)	2917.59	+1.5	2873.50	2694.40	2.50	39.89	3383.86	2272.74
Australasia (7)	2309.02	+1.7	2269.73	2572.27	2.83	21.39	2827.34	2142.78
North America (12)	1984.06	+0.8	1975.32	1783.84	0.74	67.01	2185.39	1488.94

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FT - SE Actuaries Share Indices — The UK Series

	Jul 11	Day's chge%	Jul 10	Jul 9	Jul 8	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3749.0	-0.4	3765.6	3752.3	3741.5	3447.2	4.05	2.14	14.44	91.13	1535.35
FT-SE Mid 250	4343.8	-0.2	4352.3	4347.7	4339.5	3769.1	3.40	1.74	20.69	114.36	1763.26
FT-SE Mid 250 ex Inv Trusts	4360.2	-0.2	4369.2	4365.6	4379.8	3772.7	3.52	1.79	19.86	120.39	1771.24
FT-SE-A 350	1884.9	-0.4	1892.3	1886.5	1881.5	1711.2	3.92	2.06	15.49	46.66	1579.14
FT-SE-A 350 Higher Yield	1806.8	-0.3	1811.7	1804.3	1798.5	1709.8	5.34	1.92	12.42	56.27	1266.03
FT-SE-A 350 Lower Yield	1970.1	-0.5	1980.1	1975.9	1971.7	1715.0	2.71	2.31	20.00	38.39	1507.46
FT-SE SmallCap	2160.19	-0.3	2166.43	2169.78	2171.98	1867.28	3.03	1.73	23.84	38.61	1778.28
FT-SE SmallCap ex Inv Trusts	2160.76	-0.3	2168.65	2171.77	2175.36	1857.90	3.21	1.82	21.41	41.14	1789.57
FT-SE-A ALL-SHARE	1867.02	-0.4	1874.21	1869.19	1864.78	1680.68	3.85	2.04	15.93	45.21	1586.52

■ FT-SE Actuaries All-Share

	Jul 11	Day's chge%	Jul 10	Jul 9	Jul 8	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(24)	3567.67	-0.1	3580.45	3551.41	3535.60	2909.26	3.77	1.89	18.15	79.25	1532.86
12 Extractive Industries(6)	4184.35	-0.9	4223.96	4218.89	4196.53	4091.89	3.85	2.62	12.94	109.19	1231.32
15 Oil, Integrated(3)	3653.42	+0.1	3649.31	3638.22	3621.06	2885.21	3.92	1.72	18.52	81.84	1614.42
16 Oil Exploration & Prod(15)	2459.65	-0.4	2470.27	2470.30	2469.32	1997.89	2.14	1.58	37.02	34.94	1481.41
20 GEN INDUSTRIALS(276)	2024.90	+0.1	2023.51	2018.87	2016.24	1984.53	4.26	1.88	15.60	46.85	1111.92
21 Building & Construction(34)	1174.74	-0.3	1178.62	1183.77	1184.48	972.39	3.52	1.68	21.19	21.93	996.31
22 Building Matls & Merchs(28)	1888.22	+0.4	1879.95	1891.01	1892.64	1807.66	4.06	1.73	17.86	47.17	960.53
23 Chemicals(25)	2458.05	+0.5	2444.67	2428.03	2415.99	2454.83	4.06	1.96	15.70	61.39	1171.88
24 Diversified Industrials(18)	1534.62	-0.3	1539.22	1542.05	1544.35	1851.06	6.76	1.59	10.89	66.29	866.34
25 Electronic & Elect Equip(37)	2342.35	+0.5	2331.59	2314.21	2311.69	2008.65	3.32	1.61	23.38	17.67	1210.75
26 Engineering(71)	2447.25	-0.1	2449.89	2444.30	2442.25	2075.45	3.26	2.44	15.70	48.54	1494.48
27 Engineering, Vehicles(14)	3049.16	+0.8	3025.72	2997.92	2976.79	2408.01	3.44	1.99	18.35	54.61	1584.02
28 Paper, Pckg & Printing(28)	2619.54	-0.6	2635.68	2605.39	2584.63	3139.18	3.91	1.99	16.06	56.05	1097.84
29 Textiles & Apparel(19)	1349.41	-0.2	1352.31	1353.07	1352.26	1655.10	5.24	1.59	15.03	42.38	833.11
30 CONSUMER GOODS(92)	3577.31	-0.4	3591.07	3585.99	3582.05	3260.93	3.91	1.87	17.05	81.57	1328.77
32 Alcoholic Beverages(6)	2754.04	-0.3	2763.27	2765.01	2778.56	2789.47	4.55	1.63	16.87	71.90	999.70
33 Food Producers(24)	2506.24	-0.2	2510.54	2510.13	2495.11	2546.41	4.15	1.85	16.25	66.16	1141.18
34 Household Goods(15)	2616.87	-0.5	2629.85	2631.42	2617.93	2724.64	3.80	2.14	15.36	56.43	1004.18
36 Health Care(20)	2098.30	-0.3	2105.67	2110.03	2102.65	1847.04	2.66	2.15	22.58	34.90	1201.77
37 Pharmaceuticals(12)	5243.93	-0.2	5256.21	5227.34	5227.29	4165.80	3.22	1.86	20.84	91.18	1784.61
38 Tobacco(1)	4095.67	-1.5	4159.20	4197.32	4180.39	4173.43	6.20	2.12	9.50	156.16	1026.80
40 SERVICES(253)	2517.74	-0.7	2534.28	2531.05	2526.96	2113.12	2.85	2.01	21.85	52.60	1318.41
41 Distributors(31)	2845.37	-0.1	2847.68	2853.89	2847.10	2618.02	3.05	1.71	24.00	51.03	1054.72
42 Leisure & Hotels(24)	3135.07	-1.0	3166.58	3181.58	3171.61	2383.61	2.82	1.89	23.42	152.38	1693.90
43 Media(46)	4199.84	-0.6	4223.34	4201.27	4185.33	3162.04	2.17	1.88	30.64	54.14	1523.84
44 Retailers, Food(14)	1993.73	-0.1	1995.44	2000.00	2004.78	2179.33	3.84	2.32	14.03	48.71	1279.49
45 Retailers, General(43)	2092.95	-1.0	2114.54	2111.05	2115.66	1711.26	3.01	2.19	18.98	45.51	1206.50
47 Breweries, Pubs & Rest.(24)	3167.91	-1.1	3202.16	3199.53	3205.93	2588.28	3.24	2.12	18.26	52.53	1528.31
48 Support Services(49)	2445.63	-0.5	2456.89	2462.34	2452.20	1665.84	1.90	2.25	29.27	31.94	1560.69
49 Transport(22)	2360.80	-0.4	2359.17	2351.02	2329.74	2320.96	3.46	1.49	24.24	54.62	987.89
60 UTILITIES(33)	2282.86	-0.7	2297.83	2285.25	2273.54	2461.72	5.60	2.01	11.09	83.86	983.64
62 Electricity(11)	2552.64	-0.2	2557.60	2551.85	2552.56	2429.16	6.36	2.50	7.87	201.84	1259.72
64 Gas Distribution(2)	1259.19	+1.0	1246.39	1239.99	1207.99	1911.74	9.52	1.36	9.66	66.67	860.45
66 Telecommunications(8)	1867.71	-1.3	1922.45	1904.65	1893.72	2126.47	4.26	1.79	16.40	12.56	894.29
68 Water(12)	2135.97	-0.4	2143.89	2146.24	2147.39	2025.50	6.19	2.33	8.68	88.50	1204.61
69 NON-FINANCIALS(668)	1985.00	-0.4	1992.25	1987.61	1983.38	1812.48	3.86	1.98	16.62	47.67	1515.61
70 FINANCIALS(105)	2903.91	-0.5	2919.52	2906.37	2898.79	2503.97	4.15	2.64	11.43	79.12	1260.39
71 Banks, Retail(8)	4066.07	-0.7	4095.87	4079.53	4067.93	3398.77	3.85	2.89	11.29	110.04	1339.03
72 Banks, Merchant(6)	3582.90	-0.4	3595.79	3607.41	3606.13	3493.00	2.76	2.61	17.36	63.39	1143.44
73 Insurance(25)	1414.37	-0.5	1422.18	1416.84	1415.89	1321.19	5.85	3.18	6.72	46.33	1072.52
74 Life Assurance(6)	3393.96	-0.2	3401.83	3359.18	3367.67	2826.83	4.40	2.24	12.69	100.72	1422.77
77 Other Financial(21)	2594.39	-0.2	2599.14	2604.33	2611.93	2114.45	4.04	1.81	17.11	62.05	1489.43
79 Property(41)	1522.56	+0.1	1521.64	1519.11	1514.42	1484.16	4.19	1.27	23.59	35.03	945.80
80 INVESTMENT TRUSTS(125)	3119.79	-0.1	3123.38	3110.38	3097.91	2899.36	2.25	1.11	49.67	42.89	1094.38
89 FT-SE-A ALL-SHARE(898)	1867.02	-0.4	1874.21	1869.19	1864.78	1689.68	3.85	2.04	15.93	45.21	1586.52
FT-SE-A Fledgling	1236.32	-0.3	1239.56	1238.14	1239.82	1019.32	2.62	2.45	18.06	18.31	1295.67
FT-SE-A Fledgling ex Inv Trusts	1249.46	-0.3	1252.92	1251.60	1253.92	1009.54	3.03	2.66	15.52	19.92	1311.30

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3768.9	3776.6	3772.0	3774.1	3775.0	3773.1	3767.3	3760.7	3753.7	3777.2	3748.9
FT-SE Mid 250	4352.0	4354.7	4354.3	4354.1	4355.4	4354.6	4354.3	4352.4	4346.7	4355.6	4343.8
FT-SE-A 350	1893.5	1896.7	1894.9	1895.7	1896.2	1895.4	1893.1	1890.3	1887.0	1897.0	1884.8

Time of FT-SE 100 Day's high: 8:56 AM Day's low: 4:26 PM. FT-SE 100 1996 High: 3857.1 (19/04/96) Low: 2954.2 (23/01/96).

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	1169.4	1169.2	1169.1	1169.3	1169.1	1168.6	1168.3	1167.7	1167.5	1166.6	1170.0	-3.4
Pharmaceuticals	5195.1	5188.2	5180.3	5184.7	5191.2	5185.6	5188.8	5187.4	5182.3	5177.0	5188.8	-11.8
Water	2126.5	2128.2	2127.9	2127.2	2126.3	2123.8	2123.8	2122.7	2123.0	2122.7	2130.9	-8.2
Banks, Retail	4155.6	4164.0	4151.3	4153.2	4159.0	4158.4	4157.6	4140.8	4122.8	4118.0	4148.1	-30.1

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues.
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TRADING VOLUME

■ Major Stocks Yesterday

	Vol. 000s	Closing price	Day's change
3i†	1,800	440	[illegible]
ASDA Group†	5,400	120	[illegible]
Abbey National†	1,200	572	[illegible]
Albert Fisher	450	46	[illegible]
Allied Domecq†	2,200	499	[illegible]
Anglian Water	550	546	[illegible]
Argos†	869	721	[illegible]
Arjo Wiggins	1,500	184	[illegible]
Assoc. Brit. Foods†	1,200	405	[illegible]
Assoc. Brit. Ports	1,800	282	[illegible]
BAA†	911	471	[illegible]
BAT Inds.†	8,400	464	[illegible]
BBA	5,100	302	[illegible]
BICC	325	315	[illegible]
BOC†	873	937	[illegible]
BP†	9,800	[illegible]	[illegible]
BPB Inds.	4,400	345	[illegible]
BSkyB†	467	475	[illegible]
BT†	6,600	347	[illegible]
BTR†	4,600	245	[illegible]
Bank of Scotland†	1,800	245½	[illegible]
Barclays†	2,900	792	[illegible]
[illegible]	1,400	822	[illegible]
Blue Circle†	1,800	370	[illegible]
Booker	297	374	[illegible]
Boots†	618	584	[illegible]
[illegible]	285	772	[illegible]
Brit. Aerospace†	467	963	[illegible]
British Airways†	1,900	542½	[illegible]
British Biotech	253	2055	[illegible]
British Gas†	23,800	167½	[illegible]
British Land	287	428	[illegible]
British Steel†	1,000	170	[illegible]
Bunzl	495	231	[illegible]
Burmah Castrol†	485	1032	[illegible]
Burton†	2,800	154½	[illegible]
Cable & Wire†	4,700	410	[illegible]
Cadbury Schweppes†	1,500	507	[illegible]
Caradon	575	218	[illegible]
Carlton Comms.†	2,800	487	[illegible]
Chubb	109	334	[illegible]
Coats Viyella	[illegible]	174	[illegible]
Comm. Union†	874	589	[illegible]
Compass	325	563	[illegible]
Cookson†	4,400	284	[illegible]
Courtaulds†	1,800	430	[illegible]
Dalgety	1,200	353	[illegible]
De La Rue	407	671	[illegible]
Dixons†	5,500	539	[illegible]
East Midland Elec.	1,400	673	[illegible]
Electrocomps	582	399	[illegible]
Eng China Clays	605	[illegible]	[illegible]
Enterprise Oil†	618	475	[illegible]
Eurotunnel Units	167	87	[illegible]
FKI	3,300	179	[illegible]
Foreign & Col. I.T.	1,000	156	[illegible]
Gen. Accident†	765	640	[illegible]
General Elec.†	5,000	355	[illegible]
Glaxo Wellcome†	5,400	894	[illegible]
Glynwed	594	349	[illegible]
Granada†	2,000	832	[illegible]
Grand Met.†	8,700	442	[illegible]
GUS†	10,000	637	[illegible]
Greenalls	765	567	[illegible]
GRE†	2,000	266	[illegible]
GKN†	1,200	1041	[illegible]
Guinness†	2,500	465	[illegible]
HSBC (75p shs)†	4,200	1032	[illegible]
Hammerson	468	372	[illegible]
Hanson†	[illegible]	167	[illegible]
Harrisons Crosfield	2,200	132	[illegible]
Hays	478	496	[illegible]
Hillsdown	2,700	175	[illegible]
Hyder	465	899	[illegible]
IMI	359	373	[illegible]
ICI†	2,300	812	+14
Inchcape	2,400	286	[illegible]
Johnson Matthey	212	582	[illegible]
Kingfisher†	3,900	636	[illegible]
Kwik Save	4,100	447	[illegible]
Ladbroke†	1,300	185	[illegible]
Land Securities†	409	682	[illegible]
Laporte	579	709	[illegible]
Legal & General†	1,200	667	[illegible]
Lloyds Abbey	150	521	[illegible]
Lloyds TSB†	8,000	336	[illegible]
LASMO†	765	173½	[illegible]
London Elect	767	661	[illegible]
Lonrho	821	175½	[illegible]
Lucas	3,900	235	[illegible]
MEPC	697	413	[illegible]
MFI	2,400	159	[illegible]
Marks & Spencer†	8,100	484	[illegible]
Mercury Asset Man	415	954	[illegible]
Midlands Elect	9	419	[illegible]
Morrison (Wm.)	1,500	167	[illegible]
NFC	2,400	159	[illegible]
NatWest Bank†	2,900	695	[illegible]
National Grid†	8,100	168	[illegible]
National Power†	7,400	532	[illegible]
Next†	1,000	557	[illegible]
Northern Elect.	108	531	[illegible]
Northern Foods	197	187	[illegible]
Orange†	5,300	196	[illegible]
Pearson†	1,700	644	[illegible]
P & O†	1,700	489	[illegible]
Pilkington†	8,200	183	[illegible]
PowerGen†	869	490	[illegible]
Premier Farnell	330	640	[illegible]
Prudential†	2,000	415	[illegible]
REXAM	1,800	362	[illegible]
RMC†	644	1073	[illegible]
RTZ†	3,500	941	[illegible]
Racal	1,400	304	[illegible]
Railtrack	1,200	215½	[illegible]
Rank Org.†	1,600	471	-11
Reckitt & Colman†	743	687	[illegible]
Redland†	1,600	414	[illegible]
Reed Intl.†	1,700	1110	[illegible]
Rentokil†	2,300	417½	[illegible]
Reuters†	2,500	757	[illegible]
Rolls Royce†	4,000	226	[illegible]
Ryl Bk Scotland†	757	498	[illegible]
Royal Insurance†	1,130	404	[illegible]
Safeway†	384	335	[illegible]
Sainsbury†	1,000	387	[illegible]
Schroders†	55	1320	[illegible]
Scottish & New.†	1,400	656	[illegible]
Scot. Hydro-Elect.	4,000	290	[illegible]
Scottish Power†	1,900	309	[illegible]
Sears	670	87	[illegible]
Sedgwick	63	130	[illegible]
Severn Trent†	730	583	[illegible]
Shell Transport†	4,300	946	[illegible]
Siebe†	849	896	[illegible]
Slough Ests	2,500	222	[illegible]
Smith (W.H.)	371	492	[illegible]
Smith & Nephew†	848	207½	[illegible]
SmKl Beecham†	3,500	708	[illegible]
Smiths Inds.†	431	697	[illegible]
Southern Elect†	1,100	805	[illegible]
South Wales Water	5	835	[illegible]
[illegible]	400	1016	[illegible]
[illegible]	874	663	[illegible]
Storehouse	446	313	[illegible]
Sun Alliance†	535	376½	[illegible]
T&N	209	138	[illegible]
TI Group†	5,100	546	[illegible]
Tarmac	9,700	108	[illegible]
Tate & Lyle†	1,500	409	[illegible]
Taylor Woodrow	914	167	[illegible]
TeleWest Comms	91	155	[illegible]
Tesco†	11,800	297½	[illegible]
Thames Water†	2,700	562	[illegible]
Thorn EMI†	423	1789	[illegible]
Tomkins†	6,300	269	[illegible]
Unigate	1,900	398	[illegible]
Unilever†	1,300	1252	[illegible]
United Biscuits	447	222	[illegible]
Utd. News & Media†	2,100	667	[illegible]
United Utilities†	240	353	[illegible]
Vodafone†	8,900	233½	[illegible]
WPP	2,100	222	-1
Wessex Water	173	360	[illegible]
Whitbread†	3,100	726	[illegible]
Williams Hldgs.†	2,000	339	[illegible]
Willis Corroon	4	146	[illegible]
Wimpey	457	147	[illegible]
Wolseley†	1,500	447	[illegible]
Yorkshire Elect	259	717	[illegible]
Yorkshire Water	81	659	[illegible]
Zeneca†	7,200	1435	-40

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. † Indicates an FT-SE 100 index constituent. All trades are rounded. Source: FT Extel.

هكذا من الأصل

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jul 11 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Jul 11 / Frs.)

[illegible]

CZECH REP (Jul 11 / Koruna)

[illegible]

DENMARK (Jul 11 / Kr)

[illegible]

FINLAND (Jul 11 / Mkk)

[illegible]

FRANCE (Jul 11 / Frs.)

[illegible]

GERMANY (Jul 11 / Dm.)

[illegible]

GREECE (Jul 11 / Drachma)

[illegible]

ITALY (Jul 11 / Lira)

[illegible]

NETHERLANDS (Jul 11 / Fls.)

[illegible]

NORWAY (Jul 11 / Kroner)

[illegible]

POLAND (Jul 11 / Zloty)

[illegible]

PORTUGAL (Jul 11 / Escudo)

[illegible]

SPAIN (Jul 11 / Pta.)

[illegible]

SWEDEN (Jul 11 / Kronor)

[illegible]

SWITZERLAND (Jul 11 / Frs.)

[illegible]

TURKEY (Jul 11 / TL Lira)

[illegible]

PACIFIC

JAPAN (Jul 11 / Yen)

[illegible]

HONG KONG (Jul 11 / H.K.$)

[illegible]

INDONESIA (Jul 11 / Rupiah)

[illegible]

MALAYSIA (Jul 11 / MYR)

[illegible]

NEW ZEALAND (Jul 11 / NZ $)

[illegible]

SINGAPORE (Jul 11 / S$)

[illegible]

AUSTRALIA (Jul 11 / Aust$)

[illegible]

SOUTH KOREA (Jul 11 / Won)

[illegible]

TAIWAN (Jul 11 / TW $)

[illegible]

THAILAND (Jul 11 / Baht)

[illegible]

AFRICA

SOUTH AFRICA (Jul 11 / Rand)

[illegible]

NORTH AMERICA

CANADA

TORONTO (Jul 11 / Can $)
4 pm close

[illegible]

MONTREAL (Jul 11 / Can $)
4 pm close

[illegible]

INDICES

	Jul 11	Jul 10	Jul 9	1996 High	1996 Low
Argentina					
General(29/12/77)	(u)	17419.88	(u)	18098.85 20/6	16828.01 19/3
Australia					
All Ordinaries(1/1/80)	2183.9	2201.1	2195.3	2328.00 25/4	2183.90 11/7
All Mining(1/1/80)	984.4	997.3	985.6	1118.40 8/5	982.70 8/7
Austria					
Credit Aktien(30/12/84)	370.39	370.38	370.36	394.88 31/5	352.78 2/1
Traded Index(2/1/91)	1082.50	1085.43	1082.90	1142.51 28/5	978.27 2/1
Belgium					
BEL20(1/1/91)	1703.40	1715.45	1727.82	1773.28 28/5	1574.58 2/1
Brazil					
Bovespa(29/12/83)	(u)	64447.0	64880.0	64880.00 9/7	43801.80 2/1
Canada					
Metals & Minls(1975)	(u)	5130.06	5075.66	5824.60 8/5	4687.47 16/1
Composite(1975)	(u)	5098.30	5076.70	5246.40 31/5	4739.70 15/1
Portfolio(4/1/83)	(u)	2538.02	2518.64	2595.58 27/5	2327.39 12/1
Chile					
IPSA Gen(31/12/80)	(u)	5703.81	5729.36	5804.33 8/1	5215.28 8/4
Denmark					
Copenhagen SE(3/1/83)	413.76	413.32	412.71	415.10 4/7	366.40 2/1
Finland					
HEX General(28/12/90)	2037.93	2033.26†	2050.01	2070.42 31/5	1851.67 10/1
France					
SBF 250(31/12/90)	1419.23	1424.41	1421.75	1457.56 6/6	1250.16 2/1
CAC 40(31/12/87)	2073.86	2091.86	2076.57	2148.79 30/4	1867.85 11/1
Germany					
FAZ Aktien(31/12/58)	906.70	909.19	904.88	911.74 5/7	816.05 8/1
Commerzbank(1/12/53)	2619.00	2621.10	2608.9	2627.60 5/7	2378.20 2/1
DAX(30/12/87)	2575.54	2567.43	2562.16	2583.49 5/7	2284.86 2/1
Greece					
Athens SE(31/12/80)	907.64	908.34	910.03	1017.86 4/3	891.83 24/6
Hong Kong					
Hang Seng(31/7/64)	10821.35	10911.70	10929.63	11594.99 16/2	10204.87 2/1
India					
BSE Sens.(1979)	3700.69	3671.66	3651.01	4069.26 18/6	2826.08 25/1
Indonesia					
Jakarta Comp.(10/8/82)	579.69	577.95	575.13	639.21 24/4	512.46 2/1
Ireland					
ISEQ Overall(4/1/88)	2491.37	2502.91†	2493.70	2595.19 18/6	2234.61 2/1
Italy					
Banca Comm. Ital.(1972)	652.90	654.25	653.75	674.10 20/5	572.21 27/3
MIB General(2/1/80)	1107.0	1109.0	1109.0	1142.80 20/5	970.00 27/3
Japan					
[illegible]	21892.58	21778.94	21919.87	22666.80 28/6	19734.70 13/3
[illegible]	307.42	306.87	309.01	319.70 28/6	284.48 11/3

	Jul 11	Jul 10	Jul 9	1996 High	1996 Low
Japan					
Topix(4/1/68)	1660.62	1658.17	1657.32	1722.13 26/6	1524.12 13/3
2nd Section(4/1/68)	2245.06	2242.13	2242.63	2251.48 2/7	1962.78 14/3
Malaysia					
KLSE Comp.(4/4/86)	1137.97	1132.13	1135.51	1189.54 30/4	993.16 2/1
Mexico					
IPC(Nov 1978)	(u)	3057.48	3055.61	3262.88 3/6	2736.36 8/3
Netherland					
CBS TRtn Gen(End 83)	634.0	638.2	638.8	652.60 12/6	538.50 2/1
CBS All Shr(End 83)	376.0	378.5	379.5	387.10 12/6	326.78 2/1
New Zealand					
Cap. 40(1/7/86)	2122.04	2116.93	2104.18	2203.06 4/1	2025.14 7/6
Norway					
Oslo SE(Ind)(2/1/83)	1438.57	1445.02	1437.75	1466.71 12/6	1259.68 30/1
Philippines					
Manila Comp(2/1/85)	3226.02	3272.87	3274.26	3374.40 5/7	2676.97 2/1
Portugal					
BVL 30(4/1/93)	1933.22	1925.72	1951.50	1989.29 3/7	1602.84 2/1
Singapore					
SES All-S'pore(2/4/75)	554.24	558.62	553.94	618.37 5/2	553.89 2/1
South Africa					
JSE Gold(28/9/78)	1876.2	1896.60	1867.10	2030.40 29/5	1346.40 2/1
JSE Ind.(28/9/78)	8122.3	8182.30	8179.40	8799.30 25/1	7723.20 20/5
South Korea					
KoreaCompEx(4/1/80)	847.45	858.79	858.05	986.84 7/5	817.43 29/6
Spain					
Madrid SE(30/12/85)	368.16	369.24	370.58	376.25 1/7	323.25 11/1
Sweden					
AffarsvaldnGen(1/2/37)	1947.8	1982.7	1972.4	2018.80 6/6	1706.60 22/1
Switzerland					
Swiss Bk Ind(31/12/58)	1811.58	1799.15	1795.34	1811.58 11/7	1516.19 17/1
SBC General(1/4/87)	1284.98	1279.56	1274.87	1284.98 11/7	1114.47 28/1
Taiwan					
Weighted Pr.(30/6/66)	6247.19	6225.59	6328.23	6880.45 29/5	4690.22 8/2
Thailand					
Bangkok SET(30/4/75)	1226.18	1239.88	1237.93	1415.04 6/2	1223.40 24/5
Turkey					
Istanbul Cmp.(Jan 1986)	72759.0	72003.1	72543.9	79834.30 8/7	38779.38 2/1
WORLD					
MS Capital Ind(1/1/70)	781.5*	785.9	786.2	793.20 1/7	725.90 15/1
CROSS-BORDER					
Eurotrack 100(26/10/90)	1689.00	1699.63	1690.90	1769.78 4/7	1504.40 11/1
Euro Top-100(26/6/90)	1429.82	1435.26	1438.53	1468.26 28/4	1333.01 11/1
HSBC JC Drgs(31/12/88)	(u)	375.36	375.65	383.18 16/4	344.19 2/1
ING Brngs Emrg(7/1/92)	(u)	164.19	163.77	185.81 4/7	147.36 2/1

INDEX FUTURES

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
CAC-40 (200 x Index)							
l	2095.0	2077.0	-12.5	2096.0	2073.0	11,378	31,225
ug	2100.5	2083.0	-13.0	2100.5	2083.0	45	2,514
DAX							
p	2598.0	2575.5	-13.5	2601.0	2571.5	17,344	83,149
	2615.0	2585.0	-12.5	2616.5	2595.0	139	
OMX							
Jul	1524.00	1503.00	-16.00	1530.00	1502.00	3,377	13,604
Aug	1530.75	1509.00	-23.00	1536.75	1509.00	536	1,170
SOFFEX							
Jul	3805.0	3805.0	+10.0	3815.5	3787.0	6,841	29,798
Aug	3818.0	3816.9	+22.9	3824.0	3808.0	873	157

US INDICES

Dow Jones	Jul 10	Jul 9	Jul 8	1996 High	1996 Low	Since compilation High	Since compilation Low
Industrials	5603.85	5581.86	5550.83	5778.00 (22/5)	5032.94 (10/1)	5778.00 (22/5/96)	41.22 (8/7/32)
Home Bonds	101.13	101.25	101.06	106.09 (14/2)	101.03 (9/5)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	2105.89	2120.11	2111.70	2286.28 (22/5)	1982.71 (18/1)	2286.28 (22/5/96)	12.32 (8/7/32)
Utilities	216.48	216.29	215.20	234.69 (12/2)	205.42 (7/5)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 5629.03 (5622.40) Low 5570.59 (5549.12) (Theoretical)♣
Day's high 5604.02 (5596.43) Low 5533.84 (5550.83) (Actual♣)

Standard and Poors	Jul 10	Jul 9	Jul 8	1996 High	1996 Low	Since compilation High	Since compilation Low
Composite‡	656.06	654.75	652.54	678.51 (24/5)	598.48 (10/1)	678.51 (24/5/96)	4.40 (1/6/32)
Industrials‡	778.79	778.72	776.93	807.88 (5/6)	702.07 (15/1)	807.88 (5/6/96)	3.62 (21/6/32)
Financial	65.46	65.06	64.53	68.58 (5/3)	58.67 (10/1)	68.58 (5/3/96)	8.64 (1/10/74)
NYSE Comp.	351.75	351.57	350.33	363.74 (24/5)	321.41 (10/1)	363.74 (24/5/96)	4.46 (25/4/42)
Amex Mkt Val	561.81	565.67	568.91	614.89 (22/5)	528.05 (18/1)	614.89 (22/5/96)	29.31 (9/12/72)
NASDAQ Comp	1141.19	1153.59	1146.62	1249.14 (5/6)	988.57 (15/1)	1249.14 (5/6/96)	54.87 (31/10/72)

■ RATIOS

	Jul 5	Jun 28	Jun 21	Year ago
Dow Jones Ind. Div. Yield	2.22	2.19	2.17	2.37
	Jul 10	Jul 3	Jun 26	Year ago
S & P Ind. Div. yield	2.03	na	1.87	2.07
S & P Ind. P/E ratio	21.97	na	22.29	18.68

■ NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
Motorola	18,571,600	57⅝	-6⅝
Hewlett-Pck	5,726,400	89	+1⅛
Micron Tch	4,943,600	24⅜	+1⅛
Pepsico	4,825,300	33⅝	—
Utd Hlthcr	4,603,300	44⅛	-1⅝
K-Mart	4,374,500	11⅛	-½
Analog Dvs	3,973,100	20⅜	-3⅝
Ford Mtr	3,963,400	31⅝	+¼
Mattel Inc	3,442,700	24⅝	-½
Tele Bras	3,417,900	78⅛	—

■ TRADING ACTIVITY

■ Volume (million)	Jul 10	Jul 9	Jul 8
New York SE	423.471	379.950	332.582
Amex	24.903	22.336	15.465
NASDAQ	552.050	497.442	455.928
NYSE			
Issues Traded	3,173	3,181	3,149
Rises	1,010	1,360	747
Falls	1,381	1,035	1,765
Unchanged	782	786	694
New Highs	44	51	30
New Lows	72	60	77

■ S&P 500	Open	Latest	Change	High	Low	Est. vol.	Open Int.
Sep	661.25	656.40	-5.30	661.45	656.10	88,190	175,750
Dec	668.50	663.10	-4.95	668.70	662.50	278	7,368

■ Nikkei 225	Open	Sett price	Change	High	Low	Est. vol.	Open Int.
Sep	21850.0	21980.0	+170.0	21980.0	21750.0	16,328	226,204
Dec	21900.0	21900.0	-	21900.0	21900.0	18	6,137

Open interest figures for previous day.

Base values of all indices are 100 except Australia All Ordinary and … Ex 345.81. Base values … ISEQ Overall; Toronto Comp./Metals & … Korea Comp … SBF250, CAC40, Euro Top-100, … Common – 50 and Standard and Poor's – 10. † Correction. * Calculated at 15.00 GMT. ⊕ Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Ind. Index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. ■ Subject to official recalculation.

■ TOKYO - MOST ACTIVE STOCKS: Thursday, July 11, 1996

	Stocks Traded	Closing Prices	Change on day
Nippon Stl Corp	6.2m	351	
NKK Corp	5.1m	314	-2
Takashima & Co.	4.8m	735	-43
Toshiba Corp	4.3m	787	+9
Kobe Steel	3.7m	297	
Mitsubishi Hvy	3.0m	938	+6
Hitachi	2.6m	1050	+30
Bk Tk-M'bishi	2.6m	2340	-30
Sumitomo Mtl Ind	2.6m	313	-2
NEC Corp	2.5m	1180	+10

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. * Calculated year high and low. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. † Priced in US $.

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NEW YORK STOCK EXCHANGE PRICES

4 pm close July 11

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23¾	19	AAR	0.48	2.5	19	385	19¾	19¼	19½	-⅛
46⅛	38⅝	AMP	1.00	2.6	19	11687	40	38⅝	38¾	-1½
97½	68	AMR			20	7719	81⅞	79¾	80½	-1¼
50½	37⅛	ASA	1.80	4.4	26	274	41¼	40⅜	40¾	-⅛
44¾	38⅛	AbbtL x	0.96	2.2	19	24374	43⅝	42⅞	43½	+1¼
17¼	12¾	Abitibi Pr	0.40	3.1	6	5489	13⅛	d12¾	13	
40⅞	27	ABM Ind	0.70	1.8	20	43	40⅛	39¾	39⅞	-½
18⅝	13⅞	Acpincein			46	72	18	17⅝	17⅞	-⅛
50⅜	37¾	ACE Ltd	0.56	1.3	10	609	44¼	43⅝	44¼	
9⅞	9¼	ACM Gvt In x	0.90	9.2	8	247	u9⅞	9¾	9¾	-⅛
7⅞	6⅝	ACM GrOpp x	0.57	8.4		238	6⅞	6¾	6¾	
7¼	6	ACM Gvt Sp x	0.66	10.4		264	6⅝	6¼	6⅜	
8⅛	8¼	ACM Gvt Se x	0.90	10.7		110	8½	8⅜	8⅜	-⅛
9½	8⅜	ACM Man x	0.90	10.7		752	8½	d8⅜	8⅜	
30¾	16½	AcmeClv	0.52	1.7	7	6	30	29⅞	29⅞	
13⅞	8⅛	Acme Elect			40	74	7⅜	7¼	7⅜	-⅛
33⅝	27¾	Acordia	0.80	2.5	19	14	32⅝	32⅜	32⅜	-⅛
21⅜	12	Acuson			60	863	13¾	12⅞	13¼	-⅜
19½	18⅝	Adams Expr	1.66	8.9	0	287	19	18⅝	18¾	-¼
21¼	12⅛	AdvMic			5	10019	12¾	d12⅛	12¼	-¾
11⅛	8½	Advest Grp	0.16	1.6	7	92	10⅛	10	10	-¼
26⅛	9⅛	Advo Inc	0.10	1.0	53	887	9⅞	9⅜	9⅝	
50⅜	41¼	Aegon	1.19	2.5	14	40	47⅜	46⅞	47¼	-½
8¾	3½	Aeroflx			3	424	5⅜	5⅛	5¼	-⅛
78¾	55⅜	AetnaL	2.76	4.5	16	56460	61½	d55⅞	60⅞	-4¼
33	28¾	Aflac	0.40	1.4	12	1197	29⅛	d28¼	29⅛	-⅛
20⅞	17⅛	AGL Res	1.06	5.8	16	704	18¾	18¼	18¼	-⅛
28	21¼	Ahmnsn	0.88	3.5	7	2079	26	25¼	25¼	-⅛
60⅞	50⅛	AirPrC x	1.10	2.0	14	1564	56	55	55½	-¾
28⅜	23½	Airbrn Frt	0.30	1.2	23	305	25⅝	24¼	24⅞	-¼
22½	15½	Airgas Inc			32	586	20⅜	19½	19⅝	-1
18⅞	15	Airlease	1.80	11.2	10	12	16¼	16⅛	16⅛	
33⅝	25⅝	AirTch			80	6862	27⅜	26¼	27¼	
30¾	15⅞	Alaska Air	0.20	0.8	12	823	25⅝	24⅝	24¾	-⅝
22⅝	17¼	Albany Intl	0.40	2.0	13	414	20¼	20	20¼	-¼
24⅛	17¼	Alberti	0.22	1.2	6	650	18½	18¼	18⅜	
47½	32½	AlbCvB	0.36	0.8	21	211	44¾	43⅞	44⅜	-¼
40¼	29⅝	AlCulvr A	0.36	0.9	18	107	38¼	37⅜	38	-¼
42¼	31½	Albtsn	0.60	1.5	21	5247	41⅜	40⅜	41	-⅛
34⅛	28⅜	AlcnAl	0.60	2.0	12	2857	30⅛	29⅞	30	-⅛
66	37⅜	AlcoSt	0.56	1.3	23	5462	43⅞	41¼	43⅛	-¾
60½	39⅜	AlexBrown	0.80	1.7	6	1171	51	47⅜	47⅜	-3¼
21⅝	17⅞	AlexAl	0.10	0.5	23	890	19	18	18¼	-⅝
21⅜	17⅛	Allegh Lud	0.52	2.7	12	1425	19¼	19	19	-¼
31	29	AllegP	1.68	5.7	16	1100	29⅞	29⅜	29⅝	-¼
29⅞	16⅛	Allen Con	0.20	1.0	17	475	20	19¼	19¼	-⅝
41	30⅝	Allergan	0.48	1.2	35	2282	40¼	39¾	39¾	-⅛
25¾	21⅜	Allnce Cap	1.83	8.1	11	704	24½	23⅝	23¾	-⅛
13⅞	10	Allnce Gl	0.18	1.5		787	12¾	12	12¼	-½
34⅝	29¼	All Irish	1.23	4.0	9	28	31¼	31	31	-¼
60⅝	47⅛	AlldSig	0.90	1.6	17	9886	56⅞	56	56⅞	-⅜
10⅞	9½	Allmer	0.84	8.6		18	9¾	9⅝	9¾	+¼
46¾	37⅛	Allstate	0.85	2.0	10	5621	43¼	41¾	42⅝	-1
35⅝	28¼	Alltel Crp	1.04	3.5	15	1624	29¾	28¾	29¾	
5½	3⅞	Allwaste			64	1285	4⅛	4⅛	4½	+⅛
27⅞	19⅛	AlphrmaA x	0.18	0.9	21	84	19¾	19¼	19¾	-½
38⅞	26⅝	Alumax			5	1484	30½	29⅞	30¼	-⅜
68¼	49⅛	Alcoa	0.90	1.6	14	13325	58¼	56⅝	58¼	-1⅞
34¾	24⅞	Alza Cp A			26	2939	28⅞	25⅞	28¾	-⅝
8⅞	5⅞	AmGovInc x	0.42	7.1		429	6	5⅞	5⅞	
13¾	10¾	Am Precis	0.26	2.1	17	49	12⅝	12½	12½	
9⅝	5⅞	AmesDd	0.08	1.4	17	1036	5⅞	5⅜	5¾	

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
51⅞	35	Barnes Grp	1.80	3.8	12	83	48¼	47½	47½	-⅞
64⅛	55¼	BarnBk	2.18	3.6	10	1945	60⅝	59	59⅝	-1
32⅞	26⅝	BrckGd	0.12	0.4	36	13086	29⅞	28	29⅛	-1
16	11½	BarryRG			17	34	13⅝	13⅞	13⅝	-⅛
11⅛	7⅛	Battle Mt	0.05	0.7	762	1710	7⅞	7⅜	7⅜	-⅛
44⅛	30⅛	Bausch	[illegible]	2.7	10	1995	39⅝	38½	39⅛	-⅝
48⅛	32¼	Baxter	1.21	2.7	18	6090	45⅛	44½	44½	-½
43¼	23⅝	BayNtwrks			21	35843	25¾	d23⅝	24⅛	-1⅞
29⅞	26⅛	Bay St Gas	1.54	5.6	12	33	27⅝	27⅝	27⅝	-¼
40⅞	17⅛	BBN			6	3661	19¼	d17⅛	17⅞	-1⅛
22¼	19⅝	Bd Tr 1838 x	1.56	7.8		12	20	19⅞	20	+¼
8½	7¼	BEA IncFd x	0.72	8.9		137	8⅛	8	8⅛	+⅛
9⅝	8½	Bea Strat x	0.81	9.1		102	8⅞	8¾	8⅞	
24⅞	17¼	Bear Strns	0.57	2.6	7	1653	22	21½	21⅝	-¼
44½	41	BearStPfA	2.75	6.3		28	43¾	43¾	43¾	
33¼	24	Bearings	0.56	2.1	14	86	27⅛	26¾	27	-⅛
41⅛	33½	Beckman In	0.52	1.4	20	224	36⅞	36⅝	36⅝	
79⅛	73½	BectnD	0.62	1.2	18	1989	75½	d73½	73⅞	-1⅝

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	12⅜	BaldPnp	0.48	3.7	22	49	13⅛	13	13	-⅛
74⅞	58	BellAtl x	2.88	4.7	13	5626	61⅛	59⅝	60¼	+⅞
22¼	16½	Bell In	0.40	2.2	8	225	18¼	17¾	17⅞	-¼
45⅛	35¼	BellSth x	1.44	3.5	20	6064	42⅛	40⅞	41⅜	-⅝
39⅞	31	Belo A	0.44	1.2	21	617	38¼	37⅜	37⅝	-⅝
38¼	25⅝	Bemis	0.72	2.2	19	509	34½	33	33¼	-1⅛
67	59½	Benef 4.3P	4.30	7.2		z100	59½	d59½	59½	-½
61¼	43⅝	Benef	1.88	3.8	12	1880	54⅝	53⅛	53⅞	-½
37⅞	20⅞	Benetton A	0.35	1.4	15	122	26⅝	26¼	26⅝	
⅞	⅜	Bengoet B	0.04	7.1		123	⅝	½	⅝	+⅛
28⅞	24⅛	BergBr	0.48	1.9	14	538	25⅞	25½	25⅝	-⅛
38000	29800	BerkHA			76	[illegible]	[illegible]	[illegible]	31100	-400
1220	990	BerkHB				23	1053	1030	1040	-9
12½	8¾	Barry Petr	0.40	3.6	17	100	11	10¾	11	-¼
26¼	12	Best Buy			20	7583	20½	19⅞	20½	+⅛
28⅛	20¼	Beth St 2.	2.50	9.3		8	26⅞	26¾	26¾	-⅛
54¾	51⅝	Bethlm Pf	5.00	9.5		40	52¾	52¼	52½	+¼
19⅞	11⅝	BethSt	0.40	3.5	14	4564	11⅞	d11⅛	11½	-⅜
48	40⅛	Betz L	1.48	3.4	19	702	43⅞	43⅛	43⅞	
12⅞	10⅛	BevEnt			57	3288	11½	10¾	11	-½
18	14½	Brmghm S	0.40	2.4	63	186	16¾	16½	16⅝	
44¼	30¾	BlDeck	0.40	1.3	12	2799	36¾	36⅛	36⅛	
28¼	23¼	Black H PL	1.38	5.8	12	77	23⅞	23¾	23⅞	
8⅛	8	BlckrckAdv x	0.62	7.6		68	8¼	8⅛	8¼	+⅛
8⅝	5⅞	BlckrckInc x	0.56	9.2		594	6⅛	6	6⅛	
9	8⅛	BlckrkTgt x	0.57	6.6		774	8⅝	8½	8½	
42⅛	27¼	Block	1.28	4.5	18	5940	29⅛	d27¾	28⅞	-1⅛
33¾	25⅞	Blount A	0.44	1.4	10	34	31⅞	31	31	-⅜
8⅞	7½	Blue Chip x	0.12	1.4		217	8½	8⅜	8⅜	-⅛
4¾	3⅜	Bluegreen			12	186	3¾	3½	3¾	+⅛
32⅞	19¾	BMC Ind	0.05	0.2	29	406	26	25¼	25¼	-1⅛
94	74¼	Boeing	1.12	1.3	80	13714	89½	87⅝	88⅝	-2⅛
47¼	32¼	BoiseC x	0.60	1.7	6	6760	37¼	35¾	36⅛	-1
11⅞	4⅞	Bombay Co			29	7007	5⅞	5	5⅝	-⅜
15⅞	10	Bordn Chm	0.40	3.8	5	718	10½	10¾	10⅝	-⅛
25⅞	21⅛	Bostn Celt	1.50	6.9	2	20	21⅝	21¼	21⅝	+⅛
51⅝	37¾	BosSci			109	10702	44¾	43½	44¾	
41⅞	33	Bowatr	0.80	2.1	5	1819	37⅞	37¼	37¾	+⅛
28¼	20⅛	Brazil Fnd	1.34	5.7		676	24	23¼	23½	-⅛
20¾	17¼	BRE Prop	1.32	6.6	18	320	20½	19⅞	19⅞	-½
24½	18	BroadTech x	0.28	1.4	9	275	21⅜	20⅛	20⅞	-⅛
46⅞	39	BrigSt	1.08	2.8	14	667	39⅞	39	39¼	-⅛
18¾	12¾	Brinker Intl			29	2509	14⅝	13⅞	14⅛	-⅜
90⅞	76¾	BrMySq x	3.00	3.4	23	14812	89⅞	88⅝	89½	+⅛
88	72	Br Air	2.19	2.6	11	118	84⅝	84¼	84½	+⅛
41⅛	28	Brit Gas	2.30	8.1	18	640	28½	28¼	28⅜	+⅛
113⅞	94½	BP	3.27	2.9	25	3569	113	112⅝	112¾	-⅛
17	14¼	BP Prudhoe	1.70	10.9	10	280	16⅛	15⅜	15⅝	-¼
31½	24⅞	BSteel x	1.84	6.3	4	517	29⅛	29	29⅛	-⅛
58⅝	48¼	BT	3.01	5.5	11	298	55¼	54½	54⅞	-⅛
29⅞	24⅞	BrtynU x	1.42	5.2	13	307	28⅞	28⅝	28¾	
17⅞	12¼	BrwnGp	1.00	6.2	34	173	16¼	16	16¼	-⅛
10⅞	8⅝	BrwnSh	0.32	3.2	22	1029	10⅛	10	10	
42½	35¼	BrnFor	1.04	2.8	16	202	38	37⅛	37⅝	-⅜
32⅞	26⅛	BrFerr	0.68	2.8	15	4845	26⅞	d26⅛	26⅝	-⅜
5⅞	4⅛	BRT			25	184	5⅜	5⅛	5⅜	
24⅞	19¼	Brnswk	0.50	2.6	14	1927	19½	d19⅛	19¼	-⅛
19⅞	17⅛	Brush Well	0.40	2.1	16	65	19¼	19	19¼	-⅛
29⅛	21¼	BuckeyeCel				464	25⅞	25⅝	25⅞	-⅜
39¾	34⅞	Buckeye Pt	3.00	7.9	9	184	38⅞	37⅞	38⅛	+⅛
12½	9⅛	Burl Coat			19	235	10⅞	10½	10⅝	-⅛
89¾	73½	BurlN	1.20	1.4	43	3702	83⅝	82⅛	83¼	-⅜

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
38⅞	27½	CUC Int			37	1066	34⅝	33	33½	-1⅛
76¾	46¾	Cullen	0.80	1.3	25	35	60⅞	59½	59¾	
47¾	34½	CumEn	1.00	2.4	8	887	41¾	40⅝	41	-½
12	10¼	Current In	0.88	8.2	12	15	10⅝	d10⅝	10⅝	-⅛
55¼	50¼	CrnWr x	1.00	1.9	15	6	52	51⅞	51⅞	-⅛
11⅞	10⅜	CV Relt	1.16	10.5	9	12	11⅛	11	11	-⅛
53⅛	23⅛	Cyprs Sys			125	404	51½	50¼	51¼	-⅛
18⅛	10	CypSm			7	8817	11⅞	11¼	11⅜	-½
29⅞	22⅛	CypAmx x	0.80	3.6	30	1444	23	d22¼	22½	-⅜
84¼	81⅛	Cytec			15	537	84¾	81⅞	82⅞	-1⅞

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1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29¼	21⅝	DPL Hldg	1.30	5.6	13	1270	23⅜	23	23⅛	-⅛
22⅝	17⅝	Dallas Smh	0.12	0.7	12	1161	18⅛	17¾	17⅞	-½
35½	27¾	Dana	1.00	3.4	9	2108	29⅞	29	29¼	-⅜
43½	29½	Danaher Co	0.08	0.2	11	400	38	37½	38¼	-⅛
16⅞	12⅛	Daniel Ind	0.18	1.3	128	108	14⅛	14	14¼	-⅛
14	9⅝	Darden	0.08	0.8	21	1604	9⅞	d9⅝	9⅞	
19⅞	10	DataGn			7	2501	10⅞	d10	10	-⅞
1⅞	1	Datapoint			1	191	1¼	1⅛	1⅛	-⅛
30¼	13¾	Davis Wtr	0.44	1.6	15	44	28⅝	28	28	-1
118⅞	89⅞	DaytnH	1.92	2.0	21	4567	101	98½	98⅞	-6⅝
2⅞	1½	DDL El			16	329	1⅝	1⅝	1⅝	-⅛
6⅞	3	De Soto	0.14	2.2	6	70	6⅝	6¼	6¼	-⅛
26⅛	22¼	Dean Foods	0.72	3.1	19	725	23⅜	23½	23½	-⅛
62⅛	45⅛	DeanWD	0.88	1.7	10	5508	54	53⅝	52⅝	-1⅝
8⅜	8⅛	DeanWGvr x	0.60	7.2		582	8⅜	8⅜	8⅜	
45	33	Deere	0.80	2.1	12	10838	38⅞	37	37⅞	-⅝
23⅝	19⅞	DelmPL x	1.54	7.7	11	4671	20⅛	20	20	-⅛
87	68⅞	DeltaAir	0.20	0.3	24	11608	77	75½	76⅞	-⅛
8	4⅝	Delta Wdwd	0.40	8.6	31	181	4⅞	4⅝	4⅝	-⅛
37⅞	27	Deluxe	1.48	4.3	30	873	35¼	34¾	34⅞	-⅝
29⅞	25½	Dexter Cp	0.88	3.2	16	359	28½	27⅜	27⅝	+⅛
42⅞	34½	Diag Prods	0.48	1.3	21	132	36¼	37⅝	38	-⅛
30¼	27⅛	DialCorp	0.64	2.3	203	1661	28⅛	d27⅛	27⅝	-⅝
34⅞	25	Diamond Sh	0.56	1.8	19	817	30⅝	30⅛	30½	-½
120	12⅞	Diana Corp			52	4404	46	40⅝	41⅝	-⅛
49¼	33⅞	Diebold	0.68	1.5	26	2011	46	43½	44½	-1⅞
70½	33¼	DigitE			11	21605	37⅞	d33¼	34½	-3⅝
41¾	27⅛	Dillrd	0.12	0.4	21	6822	34⅜	33⅝	34	+⅛
20⅞	16	Dimon	0.54	2.8	74	1195	19⅛	18⅞	19¼	-⅛
68⅞	55	Disney x	0.44	0.8	26	22000	57⅞	d55	56⅞	-1⅞
43⅝	32⅞	DoleFd	0.40	0.9	184	537	42¾	41¾	42⅞	-⅛
44⅞	37	DomRes	2.58	6.7	14	1980	39½	37⅞	38¼	-⅛
8½	6⅝	Domtar Inc	0.25	3.5	4	440	7⅜	7⅛	7⅛	-⅛
28½	24⅛	Donaldsn	0.32	1.3	15	502	25⅛	25⅝	25¼	-⅛
39⅞	32¼	Donnly	0.72	2.2	41	4258	33⅝	d32⅞	32⅞	-⅛
50⅞	36⅝	Dover	0.80	1.5	17	1376	46⅛	44¼	44⅝	-½
92½	68⅞	Dow Ch	3.00	3.8	10	5041	80	78⅝	79½	+⅛
41⅞	34¾	DowJns	0.96	2.4	28	3132	40⅞	39	39⅞	-1⅛
24	20¼	DowneyFin	0.48	2.3	12	31	21½	21⅜	21⅜	-⅛
31½	26⅛	DQE	1.30	4.8	12	480	28	27⅜	27⅜	-⅛
14⅞	11¼	Dravo	0.62	4.7	21	244	13⅝	13¼	13¼	-⅛
32⅞	22¼	Dresser	0.68	2.3	30	3280	30½	29½	30	-⅛
9¾	8⅞	Drfus Fd 8 x	0.62	6.7		277	9⅛	9¼	9¼	-⅛
9⅝	8¼	Drfus St G x	0.75	8.5		122	9	8⅞	8⅞	
10⅛	8¼	Drfus St M x	0.67	6.7		123	10	9⅞	10	
37¼	28	DTE Engy	2.06	6.9	10	1530	30⅛	29¾	29⅞	-⅛
76	65	Du Pont4.5 x	4.50	6.7		z100	67	67	67	-½

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
8⅛	3⅜	Genesco			14	1183	7	6⅞	7	
8⅝	5⅞	Geneva Stl			16	94	5⅞	5⅝	5⅞	
17⅞	8⅝	Genrad Inc			16	7084	14	12	13⅞	-1⅛
49⅞	40	GenuPt	1.34	3.0	17	894	45⅞	44¼	44⅝	-⅝
35½	28¼	Grgia Gf	0.32	1.1	7	444	29¾	28½	28¾	-½
78½	52	GrgiaP	2.00	2.7	8	8841	73⅞	71⅞	73⅞	+1⅞
103½	97	GrgiaP7.72	7.72	7.8		1	98½	98½	98½	+1
17⅝	14⅛	Gerber Sci	0.32	2.1	18	246	15⅝	15⅛	15⅛	-⅛
12¼	11	Germany Fd	0.12	1.0		494	11¾	11½	11½	-⅛
15⅞	12⅝	Getty Petr x	0.32	0.8	26	16	15⅛	14⅞	14⅞	-⅛
10⅞	7⅛	Giant Grp			1	z800	7⅝	7⅝	7⅝	-⅛
13⅞	10⅞	Giant Inds	0.20	1.4	16	147	15	14⅝	14½	-½
62⅝	40¼	Gillte	0.72	1.2	30	10274	61	59⅝	59¾	-1⅛
9⅞	6¼	GlendlFd	0.08			220	7⅛	7	7⅛	
29½	23¼	GlaxoW	1.15	4.1	36	0721	27⅞	27½	27⅝	+⅛
48	27¼	Gleason Co	0.56	1.5	5	208	37¾	32¼	33⅝	-4⅛
25	16	Glen IntT			8	232	17⅛	17½	17⅛	-⅛
18	7⅛	Global Mar			42	10809	15⅞	15⅜	15⅝	+⅛
59⅞	40	GldWFn	0.36	0.7	12	751	54⅛	52⅛	53½	-1
41⅞	34	Gdrich	1.10	2.9	17	1480	37⅞	37	37½	-⅝
53	42⅝	Gdyear	1.00	2.2	11	3456	47⅞	45¾	46⅛	-1⅞
7⅞	4¾	Gotschalk			17	62	6⅛	6⅛	6½	
89	59⅞	GraceWR	0.50	0.7	30	5441	68½	66⅛	67⅞	-1⅛
79⅞	67⅝	GrngrW	1.00	1.3	20	1528	76¾	75¾	76⅞	-⅛
20½	13	Grancare			19	514	18	18⅛	17¼	-1
35¾	22¾	GrCentrl			11	4598	24⅛	d22⅞	23⅛	-1
29¾	25¼	G Nthn	0.98	3.5	20	80	27⅞	27⅝	27⅝	-⅛
38⅞	19½	GtAPT	0.20	0.7	17	1333	31⅛	30⅞	30⅞	-⅛
70⅝	48½	Gt Lakes C x	0.80	1.6	13	2995	50⅝	50⅛	50⅝	-⅛
51	44	Gt Nth Irn	4.00	8.3	8	7	48½	48⅛	48½	
25⅜	21½	GtWFin	1.00	4.6	11	2284	22⅝	21⅞	22¼	-⅛
29⅝	22⅞	Green Mt P	2.12	8.7	10	58	24⅞	24½	24⅝	-⅛
38⅞	23	GreenTree	0.25	0.8	16	4987	31⅞	29⅝	30⅝	-⅛
10⅛	7¾	Griffon			11	396	8	d7⅝	7¾	-⅛
12⅛	10⅝	Growth Spn	0.42	3.8		708	11⅞	11⅛	11⅛	-½
9¾	4¾	G'TdbADR			88	7884	4¾	d4⅝	4⅝	-⅛
73⅛	52¼	Gucci x	0.30	0.5	38	7808	57⅛	54⅞	55¼	-2¼
35⅝	11⅞	[illegible]	[illegible]	2.4	12	27	34⅝	34½	34½	
5⅞	4⅛	GulfCdaRs				10085	u5⅞	5½	5⅞	+⅛

- H -

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¼	16⅞	HRO Mortg	0.98	5.6		398	18⅞	d16⅞	16⅞	-1⅛
21	16⅞	HK Tel ADR	0.88	5.2	14	2224	17⅜	d16⅝	16⅞	-½
16	13¼	HRE Props	1.24	8.5	15	9	14⅝	14½	14⅝	-⅛
58⅞	44⅞	Hallbtn	1.00	1.8	34	7712	54¼	53⅛	54¼	+⅛
14⅞	8⅛	Hallwood			4	40	13⅝	13½	13½	
11⅞	8⅝	H'cock Fab x	0.32	3.3	22	168	10⅛	9⅞	9⅞	-⅛
16⅞	14⅝	H'cock Inc	1.22	8.3	19	46	14¾	d14⅝	14⅝	-⅛
22⅞	19	HcockAdv	1.84	9.5	25	34	19⅝	19⅛	19⅜	-⅛
10⅛	8½	HncPFin	0.88	9.9		105	9	8⅞	9	
7⅞	4	Handleman	0.30	3.2	9	814	6⅞	6	6¼	-⅛
18¾	15⅝	Handy Harm	0.24	1.4	28	102	17⅛	16⅞	16⅞	-⅛
24	17⅞	Hanna	0.40	2.1	8	1752	19⅝	18⅞	19⅛	-⅛
33⅛	23	Hannaford	0.48	1.5	19	186	32¾	32½	32⅝	-⅛
18⅞	13⅛	Hanson ADR	1.00	7.6	7	13851	13¾	d13⅛	13⅛	-⅛
63⅞	38	Harcourt x	0.68	1.4	22	2581	48⅞	49	48⅞	-⅛
29⅞	20⅝	Harland	1.02	4.4	18	425	22⅞	23½	23⅛	-⅛
40½	28⅞	Harley Dav	0.20	0.5	28	2173	45	41½	43⅞	-1⅛
56½	32	Harman Intl	0.20	0.4	14	492	46⅞	45⅝	45½	-⅛
42⅛	29⅞	Harnisch	0.40	1.2	12	650	33	31⅜	32⅝	-1

- L -

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
3⅞	1⅝	LA Gear			1	1306	3½	3⅜	3¼	-¼
22⅞	20½	LG & E En	1.11	5.0	17	478	22⅝	21⅞	22⅜	+⅛
38⅝	19⅞	LSI Lg			11	47403	22	d19⅞	20⅞	-1¾
36	23½	La Quinta	0.10	0.3	33	379	33¼	32⅞	32⅞	-1
34	26⅞	LaZBoy	0.76	2.6	13	118	30⅝	29¾	29¾	-1⅛
24⅞	20	Laclede Gs	1.26	5.5	11	221	23	22¾	22¾	-¼
21⅞	16¼	Lafarge	0.40	2.1	9	1221	19⅝	19⅜	19⅝	-⅛
13⅞	7⅝	Lamson & S			19	391	10⅞	10½	10½	-⅜
24¼	12⅞	Lands End	0.20	1.0	20	1193	21¼	19½	19¾	-1¼
12½	10⅜	Lawter Int	0.40	3.4	36	74	11⅞	11½	11⅝	-¼
39¼	23¼	Lear Corp			17	5709	33½	32½	33⅛	-⅛
29	23	Learonal	0.72	2.8	14	58	25⅞	25⅜	25⅞	
24½	18¾	Lee Enterp	0.48	2.1	19	142	22¾	22¼	22⅝	+¼
34	28½	Legg Mason	0.48	1.5	12	619	31⅜	31	31⅛	-⅛
29½	20⅝	LeggPl	0.44	1.7	16	727	27	25¾	26⅝	-½
27	21	Lehman	0.20	0.9	8	1108	23½	22⅞	22⅞	-⅛
27	22⅞	Lennar Cp	0.10	0.4	11	1868	23⅝	23¼	23¼	-⅛
4	2⅛	Liberte In			56	25	3⅛	3¼	3⅛	-⅛
11½	10¼	Liberty AS	1.20	11.6		878	10⅝	d10¼	10⅜	-⅛
36	30⅞	Liberty Cp	0.74	2.3	10	129	31⅞	31⅝	31⅝	-⅛
67⅝	49⅞	Lilly	1.37	2.3	14	13359	61⅝	60	60½	-⅛
22⅞	15⅛	Limitd	0.40	2.1	7	4667	19⅝	19	19⅛	+⅛
57	42	LincNl	1.84	4.3	8	2220	44	d42	43⅞	-¾
19	16⅛	Lincn NIFd	0.96	5.3		111	18⅛	17⅞	18	-⅛
66½	55¾	LongIL PfB	5.00	8.8		z50	58	57	58	
51½	40½	Litton			13	3387	42¾	d40½	41½	-1½
36	28¼	LizClb	0.45	1.5	16	9861	31⅞	28⅞	29⅞	-2⅛
5⅛	3⅛	LLE Rity x	0.74	18.0	9	286	4¼	4⅛	4⅛	-⅛
89⅝	73	LockhM	1.60	1.9	20	4624	83⅝	81½	82⅞	-⅜
53⅞	45⅝	Loctite Co	1.20	2.6	19	51	46⅛	46	46	
89⅞	72½	Loews	1.00	1.3	4	2531	77¼	76⅞	77¼	-1⅛
33¾	29¼	Logicon	0.20	0.7	15	128	28⅞	28	28	-1
18⅛	15⅞	LghlLt	1.78	10.4	7	1225	17¼	17	17⅛	-⅛
48⅞	40⅛	LngsDr	1.12	2.7	17	128	42⅛	41	41⅝	-⅛
18¾	15⅜	Longview F	0.60	3.8	13	674	15⅞	15⅝	16	+⅛
60¾	38⅞	LoralL	0.24	0.4	58	2327	u60¾	59⅝	60¼	+¼
28⅛	21	LouisP	0.56	2.5	21	8801	23⅛	d21	22⅛	-⅞
30	28⅞	Lowes	0.20	0.6	25	7854	35	32⅞	35⅞	-⅛
15⅞	10⅞	LTV			8	4036	11⅛	11	11¼	-⅛
3⅛	1⅝	LTVWts				104	1⅝	1½	1½	-⅛
31	[illegible]	Lubriz	0.96	3.3	10	1460	29⅞	28¾	28½	-⅛
25¾	20⅞	Lubys Cafe	0.72	3.1	14	217	23¼	23	23¼	-⅛
39¾	29⅛	LucentTch			24	14214	36	34⅝	35⅞	
30¼	22⅞	Lukens Inc	1.00	4.3	18	116	23⅛	23	23	-⅛
82¼	65⅛	LuxotticaX	0.98	1.5	26	236	70½	70	70	-⅛
25⅞	19¾	Lydall Inc			17	47	22⅛	22	22	-⅛
32¾	22¼	Lyondell P	0.90	3.7	6	278	24¾	24	24⅛	-⅛

- M -

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
80⅞	70	MBIA Inc	1.38	1.8	11	869	76⅞	75¼	76⅛	-⅛
25⅞	21⅝	MCN	0.85	3.6	13	517	24⅛	24	24⅛	
7½	6⅜	MDC Hldgs	0.12	1.8	7	400	6¾	6⅝	6⅝	-⅛
23½	18⅞	MDU Res	1.09	5.0	14	22	22	21⅞	21⅞	-⅛
9½	8⅝	MFS Charter x	0.82	8.5		1132	9⅝	9½	9¾	-⅛
6⅞	6⅛	MFS Gov Mkt x	0.50	8.1	10	309	6⅝	6½	6⅝	-⅛
17½	16	MGI Prop	1.00	5.8	8	127	17⅛	17	17⅛	-⅛

- O -

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
9⅞	6	O H M Co.			26	174	7⅛	6¾	6⅞	-⅛
32⅛	18¾	Oak Inds			12	803	30⅞	28½	28½	-2⅞
26	16¾	Oakwood Hm	0.04	0.2	9	1113	21	20⅝	20⅝	-⅜
27¼	20⅛	OccIP	1.00	4.2	18	13231	24⅛	23½	23⅞	-½
25⅞	16⅞	OfficeDepot			22	16188	19⅞	19	19⅛	-⅝
23⅞	17⅞	Ogden	1.25	6.3	197	1496	19¾	19⅛	19¾	
24⅞	20⅛	OhioEd	1.50	7.0	10	1290	21¾	21⅜	21½	-¼
62	56	OhioEd4.4	4.40	7.7		z20	57¼	57¼	57¼	
63	57	OhioEd4.56	4.56	8.0		1	57	d57	57	
43⅞	36⅞	Ohio G&E x	2.88	6.9	12	279	38¾	38½	38⅝	+⅛
96	69¾	OlinCp	2.40	2.7	15	340	90⅞	89½	89½	-⅞
35⅝	24½	Olsten	0.28	1.0	18	3266	29	28¾	28⅞	-1¼
30½	19¾	Omnicare	0.06	0.3	43	7848	23¾	21⅝	22	-1⅞
46⅞	35½	Omnicom	0.70	1.7	21	2698	42¼	41⅞	41⅞	-⅞
18⅞	14½	Oneida Ltd	0.52	3.2	10	40	16¼	16	16⅛	-⅛
27⅞	20⅛	Oneok	1.20	4.7	12	323	25¾	25¼	25½	-⅛
30¾	27⅛	Oppenh Cap	2.45	8.7	7	148	28⅛	27⅞	28⅛	+⅛
10⅞	9⅝	Oppenh M S x	0.89	9.2		742	9⅝	9½	9⅝	+⅛
7⅞	6⅝	Oppenh Mul x	0.67	8.3		14	7¼	7⅛	7⅛	
9½	7½	Orange Co			6	76	8⅛	7¾	7⅞	-⅛
37⅛	33⅞	Orange Rck x	2.58	7.4	16	58	35¼	35	35	-⅛
18⅝	12½	Oregon Stl	0.56	4.3	15	1998	13⅛	12¾	13	-⅛
51	42½	Orion Cap	1.00	2.0	10	48	49⅞	49⅛	49⅛	
17⅞	12⅞	OryxEn	0.40	2.5	3	9698	16⅛	15⅞	15⅞	-⅛
21⅞	16¼	OutbdM	0.40	2.4	13	527	16⅞	d16⅛	16½	-⅛
20⅝	17⅛	OvrSh	0.60	3.4		51	17⅞	17⅝	17⅝	-⅛
15	11⅛	OwensMI	0.18	1.5	18	221	11⅝	11½	11⅝	+⅛
46	37⅝	OwenC	0.25	0.6	8	929	42⅝	41⅞	41⅞	-⅛
17⅞	13⅞	OwensI			11	3397	16⅛	15⅞	16	-⅛
19¾	14⅞	Oxford Ind	0.80	5.2	101	353	16	d14⅞	15⅛	-⅛

- P - Q -

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
58¼	45¼	PHH x	1.82	2.8	11	186	54¼	53⅝	53¾	-1⅛
55⅞	42⅞	PPG In	1.28	2.7	12	1365	48⅝	47¼	47¼	-⅞
14⅞	9⅞	PS Group	0.60	4.8	25	86	12⅝	12	12½	-⅛
15⅝	14	Pac Am Inc	1.78	8.1		79	14⅞	14⅝	14⅝	-⅛
20⅞	11¾	Pac Scien	0.12	1.0	19	189	12⅞	12	12⅝	
22½	19½	Paccp	0.11	0.5	12	1798	21⅞	21⅝	21½	-⅛
29¾	24⅝	PacEnt	1.44	5.0	19	1812	29¾	28⅞	29	-⅛
[illegible]	[illegible]	PacGE	1.96	9.0	7	16066	22⅛	d21¾	21⅞	-⅛
35¼	25⅞	PTelex x	1.28	3.8	13	6317	33⅞	32⅞	33¼	-⅛
23¾	17⅞	PaineW	0.48	2.4	16	1118	21	19⅞	20¼	-1
29⅞	21⅞	Pall	0.49	2.2	19	1913	23	d21⅞	22⅛	-⅛
39½	26¾	Pan En	0.95	2.9	16	3381	33	32⅞	33	+⅛
37⅞	17⅞	Park Elect x	0.32	1.7	9	503	18⅞	18	18½	-⅛
8⅝	5⅛	ParkDr			61	1503	6⅝	5⅞	6⅛	
44⅛	31⅞	Parkhn	0.72	1.8	11	1344	39⅞	39⅛	39⅞	-⅛
34	25	PaylessSh				2305	29⅞	29⅛	29⅜	
32¼	23⅛	PecoEn	1.74	6.9	9	2754	25½	25⅛	25¼	-⅛
65½	56½	PennPL4.5	4.50	7.8		z100	57½	57½	57½	
63⅛	44	Penney x	2.08	4.1	14	4363	52⅝	50⅞	50⅞	-1
42⅞	38⅝	PennEnl	2.20	5.4	54	58	41½	40⅞	41	-⅛
47⅞	36⅞	PnzOil	1.00	2.1	7	2969	47½	46¼	47¼	-⅛
33⅝	29⅞	PeopEn	1.84	5.6	12	434	33⅛	32¾	32⅞	-⅛
35½	23⅞	Pep Boys x	0.21	0.7	22	1818	33¾	31½	31¾	-1⅛
36⅞	27¼	Pepsico	0.46	1.4	31	26876	33¾	32⅝	32⅞	-⅛

1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24⅛	20¾	Rollins	0.52	2.3	30	284	22⅝	22¼	22¼	-⅛
11⅝	9⅝	RollinsTrL	0.18	1.7	13	307	10⅞	10½	10½	-⅛
27⅞	18¼	Rouse	0.66	3.4	654	108	25¼	25⅝	25⅝	
17¾	8⅞	Rowan			246	4752	17⅝	16⅞	17⅝	-⅛
27⅛	26	RoyBkScot	2.39	9.1		33	26⅞	26¼	26¼	
155⅛	133⅝	RDutch	4.77	3.1	17	5089	u155¼	153⅝	154⅛	-⅛
12⅞	11¼	Royce Val	0.03	0.2		898	12⅛	11⅞	12	-⅛
30⅞	25¼	Rubrmd	0.59	2.0	80	3134	27¾	27⅜	27⅝	+⅛
15¼	10⅝	Ruddick	0.28	2.2	18	388	13¼	12½	12⅝	-⅛
18⅝	12¼	RussBerrie	0.60	3.8	16	42	16⅛	15¾	15¾	-⅛
29¼	23⅞	RussCp	0.48	1.6	21	894	u29¼	28½	28⅝	+1½
30	22⅝	Ryder	0.60	2.2	15	3806	27⅝	26½	26⅝	-⅛
17⅛	13½	Rykoff Grp x	0.60	4.2	49	149	14⅛	14⅛	14⅛	-⅛

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1996 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅝	11⅞	S Atlan Fi	0.80	6.3	4	30	12⅝	12⅝	12⅝	
71¼	51¼	[illegible]	1.28	1.9	24	80	68	66⅞	66⅞	-1⅞
11⅝	8	Sabine Rt	1.19	10.6	10	405	u11⅝	10⅞	11¼	+⅛
94⅞	42⅛	Safeg'd Sc			60	1691	74⅛	67⅞	69⅝	-4⅜
17½	13⅜	StylKl	0.36	2.2	17	1274	16½	16⅛	16⅝	-⅛
36⅛	22½	Safeway			20	6284	35⅝	34⅞	35	-⅛
19	11½	SafewayW05				123	18¾	18¼	18½	
65⅝	53⅞	StJoeCorp	0.20	0.3	15	79	63¼	62⅝	62⅞	-⅛
35⅛	27¼	StJoeLtP	1.80	6.4	10	65	28⅝	28⅛	28⅛	-⅛
60⅞	50⅛	StPaul	1.76	3.3	8	868	54⅛	53⅝	53⅝	-⅛
35⅞	28¾	Saks Hldg			28	2023	32¾	d29¾	30⅛	-1⅞
5¾	3	Salant Crp			27	235	3	3	3	-⅛
86½	63¼	Sallie Mae	1.60	2.1	12	1238	74⅞	74	74⅝	+⅛
14⅞	13¼	Salomon Br	0.32	2.3	26	461	14	13⅞	13⅞	-⅛
44⅞	34⅞	Salomon	0.64	1.5	7	2735	42⅝	41¼	41⅝	-⅛
12⅞	8¼	SantaFeEn	0.16	1.3	54	6933	u12⅞	12	12½	+⅛
18¼	12⅛	SFeGd	0.05	0.3	55	2953	14⅞	14¼	14⅝	-⅛
38⅝	34	SFePPipe	3.00	8.5	17	95	35¾	35⅜	35½	-⅛
36½	28⅞	SaraLee	0.76	2.4	18	4558	32⅛	31⅛	32	-⅛
50¼	46¼	SBC Cm x	1.72	3.6	14	6444	48⅞	47⅜	48⅛	-⅛
28⅝	25¼	Scana Corp	1.47	5.5	14	663	26⅝	26⅜	26⅝	-⅛
9⅞	6⅞	ScheibA	0.26	3.5	25	2	7½	7⅛	7½	-⅛
46⅞	37⅝	SchererRP			34	702	43¾	41⅞	42⅞	-⅛
63⅞	50½	SchrPl	1.32	2.1	24	5529	62⅛	61	61⅝	-⅛
91⅞	65⅞	Schlmb	1.50	1.7	31	10861	88½	86½	86⅞	-⅛
14½	9⅝	Schlr			3	580	9⅞	9⅝	9⅝	-⅛
27⅞	18⅝	Schwab(C)	0.16	0.7	22	3467	24⅛	22½	22⅞	-⅛
29	22⅞	SchwMaud			14	614	28⅞	28⅜	28½	-⅛

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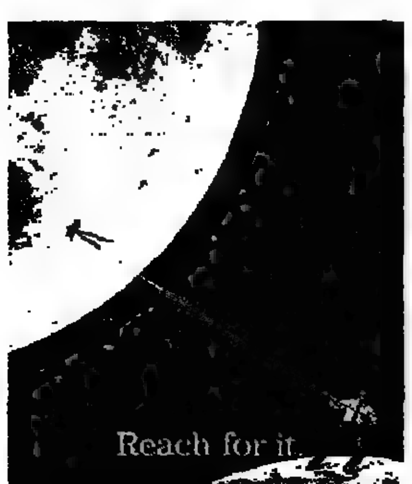

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4 pm close July 11

NYSE PRICES

Continued from previous page

1996 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
20⅜	12⅞	SciAtl	0.06	0.5	33	5197	14	d12⅞	13⅛	-⅝
21	17	Scotsmn	0.10	0.5	12	33	20	19⅞	19⅞	
47½	30⅛	Scripps	0.52	1.2	26	607	45	43¾	43¾	-1
16⅛	14⅛	ScudderNwF	0.02	0.1		338	14⅞	d14⅛	14¼	-¼
12⅞	11	ScudderNEoF	0.16	1.3		1661	12⅜	12¼	12⅝	-⅛
20½	16	SeaCnB	0.70	3.7	2	z100	18¾	18¾	18¾	
16	15	SeaC1.4625	1.45	9.4		3	15½	15½	15½	-⅛
67¾	41⅛	S'gate			18	21991	44	d41⅛	42⅛	-1⅞
38⅞	31¾	Seagram	0.60	1.8	22	9791	33	32½	32¾	-¼
26	17⅛	Seagull En			16	1165	25⅝	24⅞	25	-⅝
38⅛	28	Sealed Air			23	1000	32½	31½	31¾	-⅝
59⅞	39¼	SearsR	0.92	2.1	12	13759	46⅝	44⅞	44⅞	-1⅝
22⅝	19¼	SecCapStI	1.24	5.9	21	749	21½	20⅞	21	-⅝
13	11⅞	Seligm Sel	0.84	6.7		302	12½	12¼	12½	-⅛
23¾	13⅝	Sensormat	0.22	1.4	13	825	16	15¾	15⅞	-⅛
44¾	28½	SequaA	0.60	1.4	109	67	42⅞	41½	41¾	-1¼
50	39	SequaB	0.50	1.0	127	5	48⅝	48⅝	48⅝	-½
60¼	38⅞	ServCp x	0.48	0.9	28	2948	55⅞	53½	53⅝	-2⅛
23½	19½	SvMstr	0.68	3.1	14	591	22⅝	22⅛	22⅛	-⅝
6¾	4½	SvcMerch			10	3976	5⅛	4⅞	5⅛	
48¼	28½	SGSThm			7	5912	34	32⅝	32¾	-1¼
15⅛	10⅝	Shaw Ind	0.30	2.4	38	9214	13⅛	12⅝	12⅝	-½
12⅞	10⅛	Shelby Wil	0.28	2.4	13	160	11⅞	11½	11½	
89⅞	76⅝	ShellTr	3.26	3.7	18	450	89⅝	88⅞	88⅞	+⅛
47	39	SherW	0.70	1.5	19	2011	u47	46	46⅞	-⅛
13⅜	7⅞	Shoneys			10	1051	9¾	9⅜	9⅜	-⅜
35½	21	Showboat	0.10	0.4	33	2557	24½	21⅞	22⅝	-2⅞
25⅞	22⅜	Sierra Pac	1.18	4.7	12	509	25¼	25	25	-¼
6	4¼	SignalApp			1	4	4¼	d4¼	4¼	
27¾	21¼	Signet Grp	0.80	3.7	12	1165	22⅞	21⅝	21⅝	-¼
30⅞	21¼	SiliconGr			18	16226	23⅞	22⅛	22¼	-1⅝
9⅝	7⅛	Sizeler	0.88	10.2	34	27	8⅝	8⅜	8⅝	-⅛
4¼	2⅝	Sizzler	0.16	5.3	33	162	3⅛	3	3	
26¾	19¾	Skyline	0.60	2.4	13	171	25⅝	24⅞	25	-¼

NASDAQ NATIONAL MARKET

4 pm close July 11

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Dep Gty	1.40	11	107	45¾	45	45⅜	+⅜
Devcon	0.20	15	73	9	8¾	8¾	
DH Tech		17	90	24½	23	23⅜	-⅝
Digi Intl		10	2528	17	d15	15¾	-1¼
Dig Micro		37	1434	15⅞	14⅞	15⅛	-⅞
Dig Sound		4	[illegible]	2	1⅞	1⅞	-⅛
Dig Syst		33	2265	14¼	12¾	13	-1
Dionex Cp		20	263	35¼	32½	33	-1
Dixie Yrn	0.20	1	19	5⅛	4⅞	5	
DNA Plant	2.25	1	241	[illegible]	[illegible]	[illegible]	[illegible]
DollarGn	0.20	25	119	27¼	26	26⅛	-½
Dorch Htn	0.68	16	18	13⅞	13¾	13¾	
DrecoEngy		17	18	26½	25¾	26½	
DressBarn		15	[illegible]	10⅜	10¼	10¼	-¼
Drey GD	0.24	112	469	31¼	d27¾	28	-2¼
Drug Empo	0.08	25	245	4⅝	4⅜	4½	-⅛
DS Bancor	0.24	12	277	34¾	32½	32¾	-2
Durlron	0.52	17	191	24¼	23¾	24	+¼
Dynatech		41	4582	33¼	32	32	-1¼

AMEX PRICES

4 pm close July 11

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Adv Magn		26	136	16⅝	16	16	-¼
Altin Inc		10	63	2	1¾	1¾	-⅛
Alpha Ind		19	345	8⅝	8⅛	8⅝	-⅛
Am Isr Pa	1.04	6	14	38¼	37¼	37⅝	-1⅛
Amdahl	0.05	36	1494	9⅛	9	9⅛	+⅛
AmerExpl		139	357	14	13⅝	13¾	-⅛
Ampal-AmA		52	314	5	4⅝	4¾	-¼
ASR Invs	2.00	10	50	18⅛	17¼	17¾	-⅛
Astrotech		17	189	6	5⅞	5½	-⅛
Atari		7	5822	6⅛	4½	5⅛	-½
Audiovox A		8	107	5	4¾	4⅞	-⅛
AvlonPrDR		63	z100	4¼	4¼	4¼	-⅛
B&H Ocean	0.60	12	7	2¾	2⅞	2¾	
BadgerMr	0.66	12	z100	27	27	27	-¼
BaldwinT A	0.04	25	453	3¼	d3	3	-⅛
BATadr	0.86	10	222	15½	15⅛	15¼	-¼
Beard			14	3⅛	3⅛	3⅛	
Blair Man	0.40	20	14	26½	26	26	-½
Bio-Rad A		13	439	30⅞	28¾	29¾	-¼
Bowmar		4	41	2	1⅞	2	+⅛
Bowne	0.36	11	292	21⅛	20⅝	20⅞	+⅛
Brascan A	1.04	21	52	18⅜	18¼	18¼	-⅛
Calprop		1	100	[illegible]	[illegible]	[illegible]	
Cambrex	0.20	15	59	46⅞	46	46¼	-⅝
Can Marc	0.14	31	2	10⅜	10⅜	10⅜	
Cntl FdA	0.01		139	5⅛	4⅞	5⅛	+⅛
Comforco	0.30	14	38	21⅛	20¾	21⅛	
CmpTch		115	153	10⅝	9⅞	10⅜	-¼
Compudoc		31	70	2½	2½	2½	
Concd FdA		14	11	6¼	6¼	6¼	-⅛
CrossAT A	0.64	18	817	17¼	15¼	15½	-1⅝
Crown C A	0.40	1	3	15⅛	15⅛	15⅛	-⅛
Crown C B	0.40	2	84	15⅛	15¼	15⅛	-⅛
Cubic	0.53	22	27	32⅛	31⅞	31⅞	-1
Customedix		18	4	2⅞	2⅞	2⅞	
DI Inds		6	1667	1⅞	1⅞	1⅞	-⅛
Ducommun		11	220	13¾	12¾	13	-⅛
Eastn Co	0.46	24	12	12	11⅞	11⅞	
Echo Bay	0.07	30	5036	10⅞	10⅜	10¾	-⅛
Ecol En A	0.32	29	25	8¼	8⅛	8¼	+⅛
Edisto Rs		18	142	9⅞	9⅞	9⅞	-⅛
Epitope		13	454	14⅝	d13⅞	14⅛	
Fab Inds	0.70	19	6	27	26⅞	26⅞	
Fina A	2.80	15	16	54⅛	53¼	53¼	-1⅛
Forest La		16	1618	38¾	d37½	37½	-1¼
Frequency		11	130	7¼	6⅞	6⅞	-⅛
Garan	0.80	14	13	16¾	16⅝	16⅝	
Giant FdA	0.76	19	594	35¾	35	35⅛	-¾
Glatfltr x	0.70	11	262	18⅜	17⅞	18⅛	+¼
Goldfield		10	191	⅞	⅞	⅞	-⅛
HanDir		3	623	1⅛	1⅛	1⅛	
Hasbro	0.49	18	1238	33⅝	33⅛	33⅛	-⅝
Health Ch		162	112	1⅝	1⅝	1⅝	
Heico	0.10	36	30	24¾	24⅝	24⅝	-⅛
HovnanianA		6	260	6⅞	6⅞	6⅞	-⅛
InstronCp	0.18	20	26	13⅞	13⅛	13⅞	
Int. Coms		18	1696	7¾	d7¼	7⅜	-½
Intermagn		46	529	18⅝	17⅞	18	+⅛
Ivax	0.10	13	9027	15	d14⅛	14½	-½
Jan Bell		22	128	2⅝	2½	2½	
Kinark Cp		10	33	3⅝	3⅜	3½	+⅛
Kirby Exp		44	286	15⅞	15½	15½	-½
KogerEq		7	194	13⅜	13	13	-¾
Lafarge		59	442	8½	8¼	8½	-⅛
Laser Ind		47	545	13¾	12⅞	12⅞	-1
Lumex Inc		3	57	10¾	10⅛	10⅜	-⅛
Lynch Cp		21	23	83¼	78¾	78¾	-5½
Maxxam		6	62	37⅝	37½	37⅝	
Media A	0.48	20	340	36½	35⅝	35⅝	-1⅛
Mem Co	0.28	4	40	6⅞	6⅝	6⅞	+⅛
Micromedia		0	5861	10⅝	10⅛	10¼	
Mitel Ld			29	6¾	6¾	6¾	
Moog A	1.00	17	49	23⅛	22½	22¾	-⅝
MSR Expl		12	79	⅞	[illegible]	⅞	
NatPatDev		63	208	9⅛	8⅞	8⅞	-⅛
NY TmA	0.56	21	872	31	30⅝	30½	-½
NumacE		108	10	4⅝	4⅝	4⅝	-⅛
NVR		8	77	10⅝	10½	10½	
Pegasus G	0.10	127	369	12⅞	12¾	12¾	-⅛
Pentel	0.80	1	68	11⅞	11	11⅛	-½
Pittway A	0.33	18	19	43½	42⅞	42⅞	-⅝
PMC	1.12	11	72	12¾	12¼	12¼	-⅛
[illegible]		118	8	31¼	31¼	31¼	
SJW Corp	2.22	9	27	35½	34¾	35	+¼
Tab Prods	0.20	12	218	7¼	6⅞	6⅞	-⅛
TelData	0.40	22	2767	44⅝	43⅞	43⅞	-1⅛
Thermedics		46	1306	23¾	d21½	22¼	-1⅝
Thermotrex		29	738	32½	29⅞	30¾	-1⅝
TotPNA x	0.30	141	484	10	9¾	9¾	-⅛
TownCntry		5	265	1⅛	1	1	-⅛
Trilon		0	108	[illegible]	[illegible]	[illegible]	[illegible]
Tubos Mex		4	384	9⅞	9⅝	9½	-⅛
TurnerBA	0.07	110	45	25⅞	25½	25½	-⅛
TurnerBB	0.07	112	922	26¼	25½	25⅞	-⅛
UniFoodsA		23	16	1⅞	1⅞	1⅞	
UniFoodsB	0.20	23	2	1⅞	1⅞	1⅞	
US Cellul		23	137	29⅝	d29	29	-¼
ViacomA		108	2973	34⅛	d33¼	33½	-1¼
ViacomB		109	24339	35⅛	d33⅞	33⅞	-1½
WRIT	1.12	18	148	12⅝	12⅛	12⅛	-⅛
Xytronix		3	500	2⅛	2	2	-¼

AMERICA

Hewlett adds to worries in high-techs

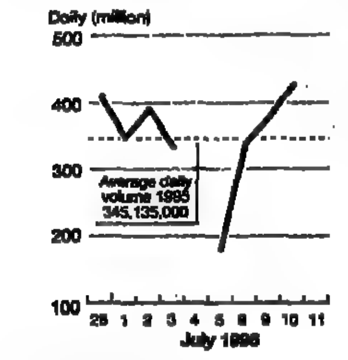
Wall Street

A sharp sell-off in technology stocks again spread to drag down the wider US stock market, as worries over the outlook for corporate profits erupted, *writes Maggie Urry in New York.*

Hewlett-Packard, the computer group, took over the role that Motorola had played on Wednesday, by announcing poor trading news after the market had closed the previous night.

By lunchtime yesterday the Dow Jones Industrial Average had come off its lows, which had taken it within two points *of a 100 point drop by mid*morning. At 1 pm the Dow was 75.36 points lower at 5,528.29, a drop of 1.3 per cent. The Standard & Poor's 500 index fell 9.06 to 647.00, and the American Stock Exchange composite was 10.47 lower at 551.34. NYSE volume was 287m shares.

NYSE volume



Hardest hit, though, was the Nasdaq composite, with its heavy weighting of technology stocks, and other similar indices. The Nasdaq dropped 31.95 to 1,109.24, a 2.8 per cent decline, while the Pacific Stock Exchange technology index was down 3.8 per cent.

Hewlett-Packard said late on Wednesday that third quarter earnings growth would fall "significantly below" the second quarter growth rate, adding that it would close its disk drive manufacturing activity. Its shares fell $9¾ or 10.5 per cent to $79⅝, while Motorola continued its falls of Wednesday with a drop of $2¼ to $55⅝, bringing the loss since it announced poor second quarter earnings on Tuesday night to nearly $11.

The concerns over earnings were not confined to technology shares. A profit warning from a leading healthcare group upset that sector. United Healthcare slumped $11⅞ to $32⅝ when it said second quarter earnings would be 40 cents to 45 cents a share, compared with 51 cents in the same period last year. The company added that it would also take a 20 cents a share charge.

Other stocks fell in sympathy. US Healthcare was down $2⅝ to $50½, while Oxford Health Plans dropped $5⅝ to $28⅝, and Pacificare Health Systems was $4⅜ lower at $65¼.

JP Morgan chose a bad day to publish better than expected results. Although earnings per share in the second quarter of $2.14 were well above expectations of around $1.81, the shares fell $⅜ to $82¼.

Canada

Toronto turned the spotlight on the golds sector after news that Barrick Gold would bid C$915m for Arequipa Resources. Arequipa shares jumped C$6.25 to C$28.25, at a premium to Barrick's planned offer of $27 cash per share but below their high for the year of C$34.75. Barrick, which said that it was interested in Arequipa's Pierina property in Peru, dipped C$1.30 to C$38.60 in heavy trade.

The broad market was weak with the TSE-300 composite index down 29.30 by noon at 5,068.70 in hefty volume of 43.2m shares.

Elsewhere, Alcan Aluminium slipped 50 cents to C$41.30 after reporting poor second-quarter earnings.

Sherritt International fell 40 cents to C$6.75 after the US government announced sanctions to punish the company for its investments in Cuba.

Mexico holds steady

The region's markets were in a holding pattern at midsession yesterday, and were watching US developments closely.

MEXICO CITY's IPC index was down 13.25 at 3,074.23 and the *Bovespa* index in **SAO PAULO** was off 220.83 at 64,235. Investors here were unimpressed by a bill before congress which would levy a financial transaction tax. Analysts said the tax was designed to raise funds for the country's health service.

● Bear Stearns yesterday said it had raised its year-end target for the Bovespa index from 67,500 to 72,000, largely as a result of a rerating of Telebras, the telecommunications group. Mr Geoffrey Dennis said earnings estimates for Telebras had been lifted *from* $6.60 to $7.50 for the current year and from $7 to $8.60 for 1997 because of an improvement in cost controls. The 12-month target for Telebras ADRs was raised from $78 to $95.

On a dollar-adjusted basis the new rerating of the Bovespa implies a 7 per cent gain by the end of 1996.

S Africa takes cue from US

Industrials declined as the market took its cue from weakness in the US. The overall index was down 46.6 at 6,891.3, the industrials index fell 62 to 8,122.3 and the golds index lost 20.4 at 1,876.2.

Dealers said foreign interest was slight given the malaise on Wall Street, but gold shares remained supported by hopes for a good set of quarterly reports, due in the near future.

Significant moves were *recorded by De Beers, off 50* cents at R149.50, and Dries, down R2 at R61.

Elsewhere, Anglos lost R2 at *R270* and SA Breweries slipped R2 to R127.50. First National lost 40 cents to R29 and Malbak dipped 90 cents to R20.

EUROPE

Novartis partners help Zurich to all-time high

Many of continental Europe's late closing markets were unable to overlook Wall Street's early weakness. **ZURICH**, *however*, continued to take an upward path, posting a third consecutive all-time peak, after a round of positive news from the pharmaceuticals sector. The SMI index finished 22.0 higher at 3,810.0.

The Novartis partners powered ahead after reporting first-half sales figures which, said Mrs Birgit Kulhoff at UBS, revealed unexpectedly strong pharmaceuticals sales growth in the second quarter. Sandoz registered rose SFr16 to SFr1,447 and Ciba added SFr20 at SFr1,542.

Roche, which said it would announce first-half group sales figures early today, continued to make up for its recent underperformance, as positive news on product trials tended to raise the company's profile. The certificates added SFr95 at SFr9,698. Technical analysts said that, *having broken* convincingly through resistance at SFr9,600 the way was now open to an all-time high of *SFr10,000*.

FRANKFURT was excited both by the banking sector and the surprise decision to award Mannesmann the DBKom tender. The Dax index rose 8.11 to 2,575.54 but the Ibis closed at 2,561.95 in reaction to the Dow. Volume was DM12bn.

Mannesmann was lifted by further brokers' upgrades and closed the floor trading session at DM556.30, a 4 per cent gain, while in the Ibis the stock moved to DM547.50.

Thyssen, meanwhile, was in the doldrums as investors sold stock which had been bought over the past week on expecta*tions that the group* would be successful in its DBKom bid. The stock closed floor trading at DM282.60, off 5 per cent, and in the *Ibis* at DM275.80.

PARIS was watching Wall Street and when that market fell, did likewise, but not as heavily.

The CAC-40 index, which had seen a high of 2,093.80, moved back to end off 8.19 at 2,073.66.

SGS-Thomson felt the after-effects of Motorola, closing down FFr9.5 at FFr168, with brokers commenting that the market was now anxiously awaiting the company's earnings figures, due to be released next week.

Saint-Gobain lost FFr 6 to FFr659, in line with the overall trend, and as the group opened *its FFr555 per share tender* offer for Poliet, a building materials company, up FFr3 at FFr555.

Activity remained heavy in SocGen, up FFr23, or 4.1 per cent, at FFr582, and other financials were also good, BNP rising FFr8.7, or 4.8 per cent, to FFr189.8 and Paribas up FFr13.6, or 4.5 per cent, at FFr314.

AMSTERDAM was buffeted late in the day and the Aex retreated 5.14 to 549.38.

Philips was stung by the continuing fall-out in the high-technology sector, losing 70 cents to Fl 54.20, but Royal *Dutch was one of the day's few* risers, up 90 cents at Fl 264.90 as investors grew optimistic about a new Mexican gulf oil field.

MILAN fell prey to a series of external factors, not least a downgrade by Goldman Sachs. *The US investment house* changed its recommendation to underweight from overweight, due to a rapid slowdown in the economy as a result of the appreciation of the lira. The Comit index fell 1.35 to 652.90.

Olivetti slipped L11.5 to L867.5, weighed by US technology stocks losses and as investors waited to hear who would be appointed as managing director of Omnitel, in succession to Mr Francesco Caio, who is moving to Fiat.

Stet fell L56 to L5,065, as the company denied reports that it was the foreign company notified by the US government that *it would be refused visas under* the Helms-Burton law seeking to punish companies doing business with Cuba.

● High technology stocks elsewhere in continental Europe remained weak after Wednesday's sharp losses following Motorola's weaker than expected second quarter results. In **HELSINKI**, Nokia which was one of Wednesday's biggest casualties, picked up to a day's best of FM172, before turning back to close FM0.80 weaker at FM167. **STOCKHOLM** saw Ericsson jump SKr140, before weakening SKr3 to SKr134.5 at the close. In **VIENNA**, however, saw Austria Mikro Systeme International plunged Sch121, or 12.7 per cent, to Sch829 taking losses since the start of the year to 50 per cent.

Excitement in the German banking sector continued, with Vereinsbank shooting ahead by 10 per cent in pre-trade after the announcement earlier in the week that Deutsche Bank had taken a 5.2 per cent stake.

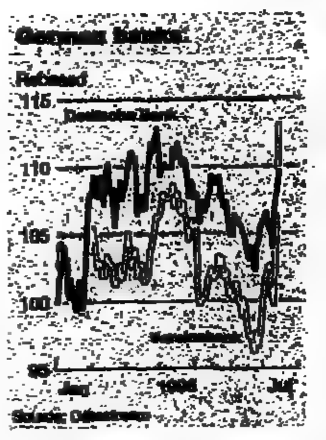
The move sustained speculation that there could be a shake-up of the sector, with speculation that Dresdner Bank might team up with Hypo Bank, through a deal engineered by Allianz, which controls substantial stakes in both companies.

However, Mr Bryan Crossley at ABN-Amro Hoare Govett in London suggested that, while palates had been excited, it was likely that in the short term there would be little change in the sector, given the inherent conservatism of German banking.

He also forecast that, after the speculative excitement had subsided, investors would look again at fundamentals which, in his view, were now beginning to look stretched.

Deutsche Bank finished 87 pfgs ahead at DM74.55, Vereinsbank advanced DM3 to DM48.20, Allianz gained DM43 at DM2,626.80, Dresdner Bank put on 21 pfgs at DM38.67 and Hypo Bank DM2.05 at DM41.90.

German banks



Source: Datastream

FT-SE Actuaries Share Indices

Jul 11								THE EUROPEAN SERIES
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1694.91	1694.32	1693.63	1693.38	1693.42	1692.63	1691.97	1689.00
FT-SE Eurotrack 200	1738.90	1738.87	1735.55	1736.77	1736.56	1735.05	1733.53	1730.09

	Jul 10	Jul 9	Jul 8	Jul 5	Jul 4
FT-SE Eurotrack 100	1689.63	1690.90	1686.42	1700.35	1709.78
FT-SE Eurotrack 200	1732.35	1731.79	1726.13	1734.01	1743.59

Base value 1000 (26/10/90); Highs/day: 100 - 1695.18; 200 - 1737.72 Low/day: 100 - 1689.00 200 - 1730.09. † Partial.

Written and edited by Michael Morgan and John Pitt

ASIA PACIFIC

Nikkei reverses losing streak on round of late buying

Tokyo

Reports that the Long-Term Credit Bank of Japan planned to sell Y500bn worth of stocks undermined confidence early on, but late buying left the Nikkei average higher for the first time in six trading days, *writes Emiko Terazono in Tokyo.*

The 225-issue average rose 113.64, or 0.5 per cent, to 21,892.58, after moving between 21,716.84 and 21,900.02. Technical activity dominated trading, *with investors unnerved by* reports of stock selling by LTCB, and fears of import inflation because of a rise in the dollar against the yen. But late institutional buying and futures-led arbitrage later supported prices.

Volume was 284m shares, against 320m. The Topix index of all first section stocks put *on 2.45 at 1,660.62 and* the Nikkei 300 firmed 0.52 to 307.42. Advances led falls by 567 to 424, with 208 issues unchanged.

In London the ISE/Nikkei 50 index gained 0.53 at 1,477.53.

Expectations that LTCB could sell off large amounts of brokerage stocks which it owns hit the sector, while investors sold LTCB shares in *anticipation of retaliatory selling* by securities houses. Nomura Securities fell Y20 to Y2,030 and Nikko Securities declined Y20 to Y1,130. LTCB lost Y11 to Y800.

Other banks were also lower on fears of rising interest rates. The Bank of Tokyo-Mitsubishi fell Y30 to Y2,340 and Fuji Bank retreated Y10 to Y3,230.

Industrial Bank of Japan lost Y10 to Y2,530, declining for the ninth straight trading day. The stock has shed 7 per cent since the end of last month, *and* traders said investors were also worried by prospects of the bank issuing new shares to *sustain its capital adequacy* ratio.

High-technology stocks were among the day's gainers: Hitachi rose Y30 to Y1,050. Oil refiners were higher, with Nippon Oil up Y11 to Y724 and Showa Shell Sekiyu adding Y30 at Y1,140. Car issues were mixed. Suzuki Motor put on Y30 at Y1,410.

Nippon Steel, the day's most active issue, held at Y351. Mitsubishi Heavy Industries gained Y6 at Y938.

In Osaka, the OSE average slipped 11.44 to 23,090.59 in volume of 38.1m shares.

Roundup

Worries that some of the country's banks could report disappointing earnings growth for the second quarter upset **BANGKOK** *and the SET Index* fell 13.81 to 1,226.18 in volume of 47.2m shares worth Bt2.65bn.

Bangkok Bank, the country's biggest bank, is widely expected to record a 7 per cent growth rate, year-on-year, in the second quarter, against 12 per cent in the first quarter. Analysts suggested that a retreat in second-quarter *growth was due to the Bank of* Thailand's high interest rate policy.

Bangkok Bank fell Bt8 to Bt230 in volume of 2m shares. Thai Farmers Bank shed Bt3 to Bt186 and Siam Commercial lost Bt8 at Bt276. The banking sector was 1.8 per cent weaker.

SYDNEY was unhappy with mining groups as the All Ordi*naries index descended 17.20 to* 2,183.90. Volume was 207.7m shares valued at A$582.3m.

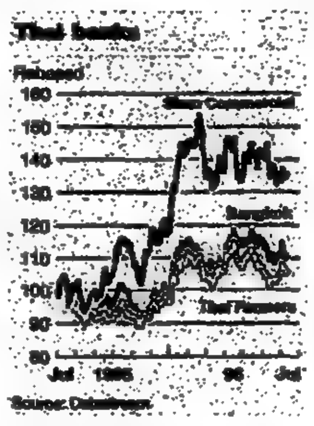
Both CRA and BHP were weaker as a number of brokers revised down their earnings projections. CRA dropped 37 cents to A$18.38 and BHP 33 cents to A$16.94.

North Flinders Mines, the gold miner, eased 15 cents to A$7.65 after saying that output had slipped by nearly 6 per cent in the quarter ended on June 30.

Mayne Nickless lost 12 cents to A$7.28 after announcing that it would sell its 25 per cent stake in Optus Communica*tions as part of a larger* initial public offering of shares in the telecommunications carrier later this year.

MANILA dipped 1.4 per cent, with local investors selling heavily after the market dropped through a crucial support level. The PSE index gave up 46.85 to 3,226.02. Volume was 10.5m shares.

Thai banks



Source: Datastream

HONG KONG edged higher, although activity continued to be limited by concern about the strength of the US economy and interest rates. The Hang Seng index closed 9.59 ahead at 10,921.35 as turnover dipped to HK$3.7bn.

Analysts, meanwhile, noted *a shift of attention to second* line stocks, whose p/e ratios had fallen sharply compared with index stocks.

Shares in VTech Holdings attained a year's high at HK$15.40 and finished the session up HK$1.30 at HK$14.70 after the company reported a sharp improvement in full-year profits.

SINGAPORE *remained* focused on Malaysian shares, traded over-the-counter, while weakness in blue chips left the Straits Times Industrial index down 7.29 at 2,223.13.

Antah Holdings, the diversified trading group, gained 24 cents to S$2.21 in heavy volume of 8.4m shares on news that it had secured a Malaysian highway toll concession.

Seaview Hotel surged 50 cents to S$14.30 after announcing its decision to develop the Amber Close site.

Conversely, the troubled Creative Technology tumbled 80 cents, or 9.9 per cent, to S$7.30 after the company's announcement that it was to take a $30m charge.

SEOUL retreated as investors sold shares to meet margin loan payments, and the composite index fell 11.40 to 847.39 in volume of 28.3m shares.

Sentiment also soured on speculation that long expected market boosting measures would not come into effect until next year.

Samsung Electronics fell Won1,800 to Won66,800 and Kun Young Construction relinquished Won260 to Won4,170.

Chung Ho Computer lost Won3,800 to Won59,900 on speculation that its first-half profits would prove a disappointment, whiled Kun Young Construction fell Won260 to a year's low of Won4,170 on fears that it would run into deeper financial trouble because of a slowdown in apartment sales.

BOMBAY featured a Rs44.75, or 9.4 per cent, jump to Rs519.75 in Lakme on hopes that the cosmetics company planned a large bonus payment to shareholders. The BSE-30 index rose 29.03 to 3,700.69 on selective demand from funds.

Tata Unysis, the software company, added to Wednesday's Rs44.50 drop with another setback of Rs51 to Rs410 following news that the US Unisys Corp was selling its 40 per cent stake.

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FT-SE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FT-SE International and Goldman Sachs in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the Indices.

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JULY 10 1996								TUESDAY JULY 9 1996					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (79)	200.17	1.0	191.03	139.34	156.86	165.84	0.3	4.42	198.26	189.44	138.15	157.01	166.33	212.18	171.57	171.57
Austria (24)	182.87	0.1	174.52	127.30	144.95	144.89	0.2	1.94	182.80	174.48	127.25	144.85	144.56	198.98	168.11	197.39
Belgium (27)	208.36	-0.5	198.65	145.04	165.15	161.40	-0.4	4.15	209.38	200.06	145.90	165.81	162.03	215.81	186.06	196.95
Brazil (28)	186.56	-0.6	178.04	129.87	147.87	345.29	-0.8	1.99	187.76	179.41	130.84	148.69	347.40	187.76	123.97	143.75
Canada (120)	161.49	0.5	154.11	112.41	128.00	160.05	0.5	2.26	160.66	153.51	111.96	127.23	160.03	165.12	134.14	148.76
Denmark (30)	305.78	-0.2	291.82	212.86	242.37	244.27	-0.2	1.88	306.49	292.85	213.57	242.72	244.66	309.01	276.89	279.14
Finland (23)	192.55	-1.7	183.76	134.04	152.62	188.18	-1.7	2.68	195.95	187.24	136.55	155.18	191.50	276.11	171.73	252.57
France (90)	194.06	0.2	185.20	135.09	153.81	157.08	0.2	3.08	193.68	185.06	134.96	153.38	156.68	198.39	167.70	188.09
Germany (59)	171.97	0.2	164.12	119.71	136.31	136.31	0.3	1.82	171.65	164.04	119.63	135.96	135.96	174.38	155.00	162.14
Hong Kong (59)	424.95	-0.1	405.55	295.81	336.82	422.24	-0.1	3.38	425.42	406.50	296.45	336.91	422.74	451.19	348.01	370.25
Indonesia (27)	204.82	0.5	195.47	142.58	162.34	292.89	0.3	1.56	203.74	194.69	141.98	161.35	292.04	–	–	–
Ireland (16)	281.21	0.5	268.37	195.76	222.89	248.64	0.4	3.45	279.78	267.33	194.96	221.57	247.73	280.82	235.69	242.85
Italy (59)	81.28	-0.2	77.57	56.58	64.43	93.16	0.0	2.37	81.42	77.80	56.74	64.48	93.15	84.53	67.22	77.40
Japan (481)	150.90	-0.6	144.01	105.04	119.60	105.04	-0.7	0.79	151.73	144.98	105.73	120.16	105.73	164.68	137.75	151.29
Malaysia (107)	560.28	0.0	534.69	390.02	444.09	537.58	-0.1	1.67	560.43	535.51	390.53	443.83	537.86	585.09	425.77	549.84
Mexico (18)	1177.94	-0.3	1124.15	819.98	933.66	9809.28	-0.6	1.35	1181.07	1128.54	823.02	935.34	9865.06	1325.65	781.99	1217.20
Netherland (19)	293.59	-0.4	280.19	204.37	232.70	229.27	-0.3	3.14	294.72	281.61	205.37	233.40	229.94	292.69	245.79	257.32
New Zealand (15)	81.67	0.8	77.94	56.85	64.73	62.97	0.8	4.31	81.05	77.45	56.48	64.19	62.57	85.49	75.94	84.51
Norway (35)	255.47	0.6	243.80	177.83	202.49	235.10	0.8	2.00	253.95	242.69	176.99	201.14	234.69	258.94	222.24	238.18
Philippines (22)	212.93	-0.2	203.21	148.22	168.77	277.86	-0.2	0.55	213.30	203.81	148.64	168.92	278.34	–	–	–
Singapore (44)	404.23	0.5	385.77	281.39	320.40	263.31	0.5	1.44	402.43	384.53	280.43	318.70	262.04	465.21	355.81	400.98
South Africa (44)	[illegible]	0.2	348.69	254.33	289.59	346.86	0.1	2.10	364.66	348.40	254.13	288.81	345.34	437.76	341.85	344.84
Spain (37)	179.46	-0.8	171.27	124.93	142.25	174.39	-0.8	3.34	180.94	172.89	126.09	143.30	175.74	183.65	145.15	152.73
Sweden (48)	351.33	-0.4	335.28	244.56	278.47	340.74	-0.6	2.46	352.66	336.97	245.75	279.28	348.85	360.77	280.13	285.77
Switzerland (37)	245.37	0.2	234.17	170.81	194.49	192.07	0.4	1.54	244.77	233.88	170.58	193.84	191.32	252.34	191.24	201.04
Thailand (45)	168.81	-0.1	161.10	117.51	133.80	167.51	-0.1	1.98	168.94	161.43	117.72	133.79	168.61	183.65	146.74	164.55
United Kingdom (200)	236.70	0.5	225.89	164.77	187.61	225.89	0.3	4.14	235.58	225.10	164.16	186.58	225.10	237.46	210.52	221.94
USA (627)	266.58	0.1	254.41	185.57	211.30	266.58	0.1	2.21	266.30	254.45	185.57	210.69	266.30	276.47	224.83	227.33
Americas (793)	243.94	0.1	232.81	169.81	193.35	205.12	0.1	2.21	243.65	232.83	169.78	192.97	204.69	252.43	206.37	206.79
Europe (710)	211.46	0.1	201.80	147.20	167.60	185.14	0.1	3.08	211.16	201.79	147.16	167.24	184.90	213.30	188.33	194.52
Nordic (136)	303.00	-0.4	289.16	210.92	240.16	263.24	-0.5	2.34	304.26	290.74	212.03	240.97	264.67	306.61	261.13	273.98
Pacific Basin (879)	164.03	-0.4	156.54	114.19	130.02	118.04	-0.5	1.19	164.66	157.34	114.74	130.40	118.62	177.01	148.88	161.87
Euro-Pacific (1589)	183.68	-0.1	175.29	127.86	145.59	142.19	-0.2	2.09	183.93	175.75	128.17	145.66	142.48	190.57	168.51	175.37
North America (747)	260.18	0.1	248.29	181.11	206.22	259.52	0.1	2.22	259.85	248.29	181.07	205.78	259.20	269.52	220.03	222.47
Europe Ex. UK (510)	192.62	-0.1	183.82	134.08	152.67	160.54	0.0	2.48	192.72	184.15	134.30	152.63	160.52	194.86	169.65	179.28
Pacific Ex. Japan (398)	285.17	0.3	272.15	198.51	226.03	245.51	0.1	3.07	284.41	271.76	198.19	225.24	245.29	298.68	243.69	262.95
World Ex. US (1799)	185.18	-0.1	176.72	128.91	146.78	146.80	-0.2	2.09	185.39	177.14	129.19	146.82	147.05	191.55	167.26	176.98
World Ex. UK (2226)	207.68	-0.1	198.20	144.57	164.61	176.73	-0.1	1.94	207.83	198.58	144.82	164.58	176.80	219.05	185.61	188.81
World Ex. Japan (1945)	242.84	0.1	231.75	169.05	192.48	229.93	0.1	2.55	242.52	231.74	169.00	192.08	229.88	247.55	212.62	214.97
The World Index (2426)	210.24	0.0	200.64	146.35	166.64	181.28	-0.1	2.14	210.29	200.93	146.54	166.54	181.39	214.95	189.49	191.80

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FINANCIAL ANALYST

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Group Finance Director

A top-flight Finance Director, reporting to the Chairman, is required for this £160 million turnover quoted Company which manufactures a range of niche products used in a wide variety of applications. The Group has operations across Europe, both east and west, and has grown significantly by acquisition - a strategy it wishes to continue.

THE ROLE

- Responsible for the full spectrum of financial management for the Group, ensuring the integrity of the accounting systems and the provision of treasury, tax and secretarial support.
- A major role in managing relationships with the Banks, Brokers and Institutions as well as undertaking negotiations and due diligence investigations for acquisitions in the UK and overseas.
- Providing appropriate financial controls and systems across the business and leading a major upgrade in IT.

THE QUALIFICATIONS

- A mature Accountant and seasoned professional. Analytical, logical and strong-minded individual who leads from the front - a practical and proactive contributor.
- Experienced in the financial management of international, stand-alone operations in a competitive environment. Will have handled all aspects of acquisitions.
- A good communicator with all-round presentation skills and knowledge and understanding of the City.

Leeds 0113 2307774
London 0171 493 1238
Manchester 0161 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. [illegible],
Gladstone House, Redvers Close,
Lawnswood Park, Leeds LS16 6QY

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c. £85,000 package + benefits — *International Media/Publishing* — *London*

Finance Director

New position with a fast-expanding and acquisitive quoted global group to work closely with the entrepreneurial European MD in profitable expansion across the UK and continental Europe. Will inject commercial judgement and instil tight financial disciplines, working in a highly professional, collegiate and supportive group.

THE ROLE

- Develop further the budgetary controls and management information systems for the European businesses to accommodate organic growth, integrate acquisitions and enhance decision making.
- Functionally responsible for finance directors in the businesses and working with them and line managers to improve the profitability and performance of assets of c. $200 million.
- Manage certain UK shareholder, funding and group reporting issues. Play an active role in evaluating new business opportunities and negotiating acquisitions.

THE QUALIFICATIONS

- Mid 30s+ graduate accountant with technical excellence who has progressed to a senior commercially focused finance role in an international group. European languages and media experience an advantage. IT literate with a willingness to travel.
- Ideally worked in both head office and operational finance roles with evidence of real success in introducing effective reporting and control in a multi-site, growing environment.
- Personable, bright and ambitious with flexibility to thrive in an entrepreneurial and fast-moving culture. Clear potential for advancement.

Leeds 0113 2307774
London 0171 493 1238
Manchester 0161 499 1700

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Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. [illegible],
16 Connaught Place,
London W2 2ED

US MULTINATIONAL – OUTSTANDING OPPORTUNITIES

Our client is a global service provider with an outstanding reputation. Due to continued expansion, they seek to strengthen the financial control and reporting functions with commercially minded finance professionals to complement the existing team.

Director of Audit

West London c.£60,000 + Package

Reporting to the Vice President of Audit and managing a team of experienced auditors, the prime responsibility is to ensure compliance with the company's procedures across the business units.

The successful candidate will direct a number of audit tasks, including assessing operational and financial risk; directing the audit teams; liaising with senior management; providing internal recommendations with regard to both control and commercial implications. Candidates wishing to express an interest will have the following attributes:

- Graduate ACA preferably a member of the Institute of Internal Auditors with at least 10 years PQE gained in a leading accountancy practice or the audit department of a blue-chip company
- Proven track record of directing an audit function
- Exceptional verbal and written communication skills
- Diligence and professionalism, with the ability to demonstrate personal integrity

Assistant Financial Controllers

West London c.£40,000 + Package

Reporting to the Finance Director, these two new head office positions enhance the quality of financial reporting within the organisation. The successful candidates will be responsible for developing and implementing the policies and procedures necessary to achieve accurate, relevant and timely reporting.

It is envisaged that up to 50% European travel will be required. These positions are key entry points for future senior managers of this international business. Candidates wishing to express an interest will have the following attributes:

- Graduate ACA with up to 5 years PQE gained in both a leading accountancy practice and a multinational environment
- Confidence to challenge issues when necessary
- An analytical approach, able to tackle problems from several angles
- Proven track record of career success with an international perspective

To discuss these opportunities in total confidence, please contact Ian Temple BSc(Hons) ACA on 0171 405 4161. Alternatively, send your CV to him at the address below.

FMS, 5 Bream's Buildings,
Chancery Lane, London EC4A 1DY.
Tel: 0171 405 4161. Fax: 0171 430 1140.
Email: 100621.2024@compuserve.com
We have offices in London, Birmingham,
Manchester and Lewes.

fms
SPECIALIST FINANCE RECRUITMENT

INVESTOR IN PEOPLE

THE PSD GROUP

Hyder Consulting

Regional Financial Controller

South West • £45k plus car & benefits

Hyder Consulting, the Engineering Services Division of Hyder plc, is a major British company providing a broad range of project management, engineering, commercial & technical services to both the private & public sector through a network of offices in the UK and overseas. The business currently employs in excess of 3,000 staff with a turnover of £135 million.

A key appointment is required by the South & Midlands UK region as Financial Controller reporting to the Regional Managing Director. The individual must strive for high standards in a demanding environment in a business that is tightly competitive.

The Role

- Supporting the Regional MD in managing & controlling business activity comprising project bidding & review, resource management, planning & strategic issues.
- Leadership of the regional finance function involving monthly reporting, cash management and interpreting Key Performance Indicators.
- Managing the implementation of new management information systems which integrate project control with financial reporting
- Critically assessing business performance through monitoring project margins & overheads.

The Skills Required

- Graduate, Qualified Accountant
- At least 6 years post - qualification experience gained in a commercial environment
- Proactive with flexible approach; an ability to deal with all levels of staff is required
- Outstanding communication skills with the ability to clearly explain and quantify business plans & performance

The business needs a highly competent manager capable of adding value to the business & providing a major contribution to the all round commercial management of the region.

Regional Financial Director –

Germany

A similar position is open in our associate company in Germany based in Halle. Fluency in German is essential together with experience with both UK and German companies.

Applications for the above positions should be sent to:
Sue Atterbury, Hyder Consulting Limited, Chancellor Court,
Occam Road, Surrey Research Park, Guildford, Surrey, GU2 5XS

Lazard Brothers & Co., Limited

Lazard Brothers is a British merchant bank whose businesses include corporate finance, banking, investment management and capital markets. The provision of high quality services to a broad client base underpins our reputation in the UK and worldwide.

The Financial Division in London serves all of the bank's trading divisions and is responsible for the core accounting and reporting functions. The impending moves of two staff to other roles within the organisation have created opportunities for two talented individuals to join the team.

Senior Management Accountant

Reporting to the Group Financial Controller and managing a team of eight, you will control and develop management information, Board reporting and budgeting processes for the Group. You will be involved in systems enhancements and project initiatives driven by business needs. A graduate accountant with 5-8 years' post-qualifying experience, you will have strong accounting, analytical and IT skills and sound man-management abilities. Your understanding of merchant banking will probably have been gained via working in a financial institution.

Financial Accountant

The successful candidate will be responsible for financial reporting and financial control of various operating divisions and subsidiary companies. Reporting to the manager responsible for financial accounting and projects, your work will include the review, interpretation and implementation of existing and proposed accounting standards, involvement in producing the Group financial statements, and the periodic review and update of Group accounting policies including the treatment of new currency investments. Probably a Chartered Accountant, you will have 2-4 years' post-qualifying experience gained either in the profession or within financial services. Up-to-date technical knowledge and PC skills are essential.

These opportunities will appeal to highly motivated finance professionals who will thrive in a hard-working, team-orientated environment. Able to prioritise and to maintain high standards under pressure, you will have the maturity, credibility and interpersonal skills needed to work with management throughout the Group at all levels.

Please write to Janet Bullock at BBM Selection, 76 Watling Street, London EC4M 9BJ quoting reference 400 and enclosing a full Curriculum Vitae that includes contact telephone numbers.
CVs sent to Lazard Brothers will be forwarded to BBM for consideration.
All applications will be treated in the strictest confidence.

International Business Development

Leading Investment Management Business

Excellent Salary Package + Bonus **City**

Exceptional role for proven international business developer to drive continued growth in dynamic, successful team.

THE COMPANY

- Prestigious, highly profitable, UK-based asset management group.
- Excellent reputation for investment performance and product innovation.
- Business development viewed as integral part of continued international expansion.

THE POSITION

- Work closely with business development team to grow international businesses.
- Design and implement a business plan for off-shore investment products.
- Develop and manage institutional client relationships.
- Co-ordinate product launches and drive business development projects.

QUALIFICATIONS

- Graduate, possibly MBA/specialist in Economics or Finance with excellent understanding of financial markets.
- Min 3 to 4 years' experience. Marketing/sales background advantageous. Fluency in German, French or Japanese helpful.
- Skilled project manager. Highly motivated. Innovative team player.

Please send full cv, stating salary, ref FS60705, to NBS, 10 Arthur Street, London EC4R 9AY

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a BNB Resources plc company

NBS

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Manchester • Slough • Madrid • Paris

Kingsway Group PLC

Finance Director

London **£80,000 + benefits**

- *Kingsway is a holding company controlling specialist manufacturing companies in building materials and furniture systems, which requires a strong, commercial Finance Director. Kingsway is a subsidiary of a Danish Group.*

- ***The Client***
  - *Successful sustained development of both specialist building materials and furniture businesses which are carefully matched in design and service to their market needs.*
  - *Planned expansion beyond the present £150 million turnover.*
- ***The Appointment***
  - *Effective design and strong operational control of management and financial reporting systems.*
  - *Fully engaged in the commercial reality of the business.*
  - *Responsible for the development of the business plan and consequent detailed budgets.*
  - *Compliance with all statutory requirements.*
  - *Reporting to the Group Managing Director for the whole finance and IT function.*
- ***The Candidate***
  - *Proven ability of senior financial management.*
  - *Keen interest in the reality of a business providing effective service to customers, founded on accurate, timely information.*
  - *Graduate, chartered accountant.*
  - *Ability to work in a team, both as player and leader.*
  - *Capability to think strategically.*
  - *Commercial acumen and objective self confidence.*
- ***To be considered, please send your curriculum vitae, including current remuneration, to Peter Dell at Ernst & Young Management Resourcing, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH, quoting reference PD0027.***

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KPMG

Finance Director

North West c£40,000 + Car + Benefits

Our client is a well established, privately owned company and a leader in its field. With recent rapid growth, it has reached a turnover of £10 million and plans to float in the next five years. This impressive growth has been achieved through providing a high quality service to a blue-chip client base. It now needs to appoint a Finance Director to play a key role in the company's further development.

Reporting to the Managing Director, responsibilities will be broad, embracing proactive involvement in the financial management of the company, and projects on key issues such as the profitability of products and financial analysis to support the management with business decisions.

Applicants must have experience in a fast moving organisation as either a Finance Controller/Manager in a small to medium-sized company, or as a Finance Manager in a larger business. Aged around 30 to 40 and a qualified accountant, you must have strong financial skills and an entrepreneurial spirit. First-class interpersonal, communication and presentation skills are vital in order to fit our client's culture, accompanied by high levels of self-motivation and energy.

Applicants should write, enclosing full career and salary details, quoting reference B/581/96 to Alison Hann, KPMG Selection & Search, 2 Cornwall Street, Birmingham B3 2DL.

KPMG Selection & Search

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For information on rates and further details please telephone:
Toby Finden-Crofts on
+44 171 873 3456

Coca-Cola Bottlers Tashkent Ltd.

TASHKENT, UZBEKISTAN

CHIEF FINANCIAL OFFICER

The successful candidate will:

- be a Charted or Certified Public Accountant
- have experience in financial reporting with public or private companies
- have experience in accounting controls & procedures
- have experience in managing a $50 million revenue corporation
- have professional experience of five years

The Firm Offers:

- employment in an international environment with the world leader in the beverage industry
- competitive compensation package including: performance bonus, medical, travel, auto and housing

Please apply to CCBTL including salary requirement by fax: 3 712 891640

Oil, Gas & Petrochemicals

Initiate and manage change

London base – Global reach

£35-60,000 + Benefits package

Each of these industries has a fundamental impact on our daily lives. After a long period of gradual evolution, this sector is currently experiencing unprecedented and wholesale change: large scale mergers, outsourcing, business process re-engineering and major integrated systems implementations.

Our client is internationally recognised as a world leader in providing consultancy services to the major blue-chip companies which operate in these markets: multi-disciplinary teams work in partnership with clients on global projects, to bring about significant improvements in performance. Assignments are challenging and complex, operating at all levels within substantial world class organisations to effect real and lasting improvements in business process and deliver competitive advantage.

A number of opportunities currently exist for exceptional candidates who wish to broaden their knowledge and apply this creatively to re-design and shape the future of this dynamic sector.

We seek qualified accountants, logistics and supply chain, marketing and IT professionals, from all European countries. Probably aged 27-35, you will have a strong academic background and a proven record of achievement within these or related industry sectors. Personal flexibility and a willingness to undertake international travel are pre-requisite in this challenging and demanding environment.

Progression is based entirely on merit, and continuous professional training ensures that every consultant is provided with excellent commercially focussed business experience throughout their career.

If you are keen to apply your skills in a professional and intellectually demanding environment, please forward a comprehensive CV, quoting reference 292719 to Diane Forrester ACA, Michael Page Consultancy, Page House, 39-41 Parker Street, London WC2B 5LH. Alternatively, for an informal discussion call her on 0171 831 2000.

MP

Michael Page Consultancy
Specialist Recruitment Consultants

Hays Taxation Personnel

BANQUE PARIBAS

International Tax Executive

London
£Excellent Package

The Organisation

Banque Paribas is a leading international investment bank operating in 60 countries and employing in excess of 9,000 people. At the leading edge of banking and finance, Banque Paribas' expertise is focused on 6 core activities; corporate banking, equity, fixed income, advisory services, asset management and securities services.

Through its Capital Markets activities, Banque Paribas provides a comprehensive range of products and services in the primary and secondary bond and equity markets, currency and interest rate swaps and options, fixed income and equity derivative products and specialised instruments.

The Role

You will be based in London and have global responsibility for key international tax planning activities for the worldwide capital markets operation of this leading financial institution:

- Provision of creative and imaginative international tax advice.
- Co-ordinating the effective structuring of this fast-moving core business activity.
- Analysis of cross border trades.
- Withholding tax and manufactured dividend planning.
- Effective presentations on tax issues to non-tax technical colleagues.

The Appointee

With a proven track record in international tax it is envisaged that the ideal individual will be:

- An imaginative and resourceful tax professional with a minimum of four years relevant experience gained within a banking environment or a leading accounting firm.
- A strong communicator with the interpersonal skills to work in a multi-cultural environment. Fluency in French will be an advantage.
- An effective team member and have the personal presence and influencing skills to put across your views
- Ambitious, a self-starter and pro-active.

In return, the successful candidate can expect a high profile challenging role and a rewarding career with this leading international investment bank.

To discuss this outstanding opportunity further, interested applicants should contact our retained consultant Laurence Wolshan on 19 44 171 405 4879, *or forward an up to date CV, including day time telephone number and salary details to* 307-308 High Holborn, London WC1V 7LR. Fax: 19 44 171 831 3986. This position is being handled exclusively by Hays Taxation Personnel, any direct applications will be forward on to them.

INTERNATIONAL MEDIA GROUP

Exceptional roles for young ACAs

London

c.£35k+fx car+bens

One of the world's largest information providers and publishers, our client is a leader in its chosen markets with interests ranging from online data services and scientific journals to consumer magazines. *Highly profitable, annual sales exceed £3 billion,* achieving success through strong organic expansion, investment in new products and an active acquisition programme.

Crucial to this successful expansion is the effective integration of *newly acquired companies. The Audit Team plays a central role in* this process, focusing on high risk areas and identifying continual improvements in efficiency. Working closely with subsidiary Finance Directors, the 5-strong team acts as a catalyst for the introduction of change, carrying out pre- and post-acquisition reviews.

In addition the team seeks to ensure the leverage of best practice throughout the organisation, playing a key part in processing knowledge between business units. Members of the team also look at controls within existing businesses, gaining broad exposure to Head Office and subsidiaries, undertaking approx. 25-30% travel to Europe, the USA and Asia Pacific.

Following a series of promotions to senior line management positions, the team requires 2 additional members, who should be ambitious, bright young ACAs from a major practice. A good degree is essential, together with WP and spreadsheet skills and the ability to communicate effectively both orally and in writing. Successful candidates will probably have 2-3 years' pqe, but exceptional recently qualifieds will be considered. French, German or Spanish language skills would be an added advantage but are not essential; more important is the flexibility to be an effective team player yet be strongly self-motivated.

Career prospects in this growing, international environment are excellent and the rewards outstanding. The company operates a comprehensive training and development programme and in addition to an attractive salary and fully expensed car, benefits include health insurance, share option saving schemes and 5 weeks' holiday.

Interested applicants should post or fax a full CV quoting ref 161A to the address/fax number below. For more information contact us on 0171 242 9191 or during the evenings and weekends on 0171 231 8272 or 0181 607 9621.

ALDERWICK
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SEARCH & SELECTION
95 FETTER LANE, LONDON EC4A 1EP TEL: 0171-242 9191 FAX: 0171-242 3560

INTERNAL AUDITOR

MIDDLE EAST BASED

We are one of the leading financial institutions based in Bahrain with branches in Europe and North America and representative offices in the Middle East and Asia. The Internal Audit Division of the bank undertakes examinations of operational, credit and EDP risks across the bank. An opportunity has recently arisen for an individual to manage the operational audit function reporting to the Chief Internal Auditor.

The ideal candidate is likely to be a Chartered Accountant with at least five years of post qualification experience. Prior experience of the financial services industry is a must with this experience having been gained within the profession or within the financial services industry itself. The incumbent must have excellent communication skills both written and oral and the ability to deal with people tactfully. The preferred age group is 28-33.

For the right candidate we offer a generous tax free salary, free furnished accommodation, annual return airfares during holidays and a host of other benefits.

In the first instance, please write enclosing a detailed
CV and stating your current salary to
The Financial Times, Box A5909, Financial Times,
One Southwark Bridge, London SE1 9HL

FT

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Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world.
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Toby Finden-Crofts on +44 171 873 3456

Cellhire
MOBILE PHONE HIRE

Finance Director

Yorkshire

c £50,000 + Bonus + Car

Cellhire plc is Europe's leading hirer of mobile communication products and through its global partnerships with Vodafone and AT&T Wireless, they are extremely well positioned to take full advantage of significant market opportunities. In order to support these ambitious strategies, they seek to strengthen the management team through the appointment of a high calibre Finance Director.

Reporting to the Managing Director, you will be expected to develop management information systems and establish strong controls to support a growing company. As a key member of a small management team, you will be expected to make a significant contribution to the overall commercial development of the business.

Candidates, aged 30-40, will be qualified accountants with a strong profit orientation and the ability to take and influence commercial decisions at the highest level within a fast moving business. Well developed interpersonal skills coupled with a proactive, innovative approach are essential to make an important contribution to the future success of the company.

Interested applicants should forward a comprehensive CV quoting reference 299401 to Stephen Banks, ACMA at Michael Page Finance, Aquis House, 12 Greek Street, Leeds LS1 5RU, or fax 0113 243 3177.

MP

Michael Page Finance
Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Nottingham St Albans & Worldwide

Outstanding Opportunity in Equities Product and Risk Control

UBS is one of the world's strongest banks and is a growing force in integrated investment banking.
As one of the few AAA-rated financial institutions in the world, we have a major global presence in Debt and Equity Markets, Corporate Finance and Derivatives.
The Product and Risk Control function within UBS London is located on the trading floor and requires close liaison with traders and senior product management to provide a 'value-added' service.

In order to continue the development of the quality and breadth of service to our increasingly global businesses, we are looking to recruit a high calibre individual as Controller for listed derivatives including convertibles, warrants, futures and options. The role will cover:

- Daily risk and P&L verification, reporting and analysis including running of risk models
- Review of limit utilisation and matrix sensitivity
- Review of Mark to Market and liquidity
- Analysis and commentaries of financial and non-financial performance
- Ad-hoc revenue and commercial analysis
- Involvement in the implementation of new products
- Major project development, including input to the on-going development of the current Value at Risk system
- Extensive front-office liaison

The successful candidate is likely to have the following background:

- Qualified accountant (ACA, CIMA), preferably Big Six/Blue Chip background
- Minimum 1 year experience in Convertible Bonds or Equity/Bond options
- Strong academic background
- Excellent written and oral communication skills
- Good analytical skills
- Ambitious and keen to succeed in a dynamic and challenging environment
- Enthusiasm and drive
- Proven ability to work in a fast-moving team environment

This high profile position offers the perfect opportunity for the successful candidate to make their mark on and build a career with this major international bank.

As well as an attractive salary and career prospects, the position carries a comprehensive benefits package including a discretionary performance award. UBS is committed to staff development and offers a formal structured training programme.

Interested candidates should send a detailed CV to the address below.

Catriona Dunn
UBS Limited
100 Liverpool Street
London
EC2M 2RH

UBS Limited

financial controller

KIEV.

U.S. food company **excellent package**

An opportunity for a young Accountant or MBA to join a US Food Multinational as Financial Controller, Ukraine. Someone currently a manager in Public Practice or with 2-5 years post qualified experience in commerce. We're looking for a hands- on financial manager who will sort out accounting controls as well as deal with the strategic issues.

Currently operating in 6 product lines, 100% growth forecast for the coming year, the subsidiary has ongoing inward investment *with new processing plants to* follow.

Based in Kiev you will have full responsibility for the finance department, improving systems, recruiting and training local finance staff and US GAAP *reporting back to the European* HQ in London.

You will also work with Management, investigating and supporting new business opportunities, look after treasury, & develop tax efficient financing *arrangements in conjunction* with European Treasury & Tax Departments.

The Country Controller should be a strong number two to the General Manager, deputising for him in his absence and getting involved in operational aspects of the business. This is a great opportunity to learn and develop your skills at a broader level than pure financial management. *Russian language ability would* be an advantage, if Russian, fluent English is *necessary*. We also want someone who is looking for a long term international career, not a short term assignment.

We have opportunities in London, Central & Eastern Europe for internationally mobile Accountants, Treasurers & Tax Professionals. Visit: www.farnwilliams.co.uk

FARN WILLIAMS · Diamond House, 37-38 Hatton Garden, London EC1N 8FW Tel: (44) 171 404 4089 Fax: (44) 171 404 4083. Email: farnwilliams@dial.pipex.com

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ASSISTANT DIRECTOR

(Finance, Control & Administration)

The United Nations Office for Project Services (UNOPS), a major provider of project management and implementation services to the United Nations system and developing countries, seeks an experienced candidate for the post of Assistant Director in its Division for Finance, Control & Administration (FCA) for its Headquarters in New York.

Responsibilities:

Under the general supervision of the *Executive Director*, the Assistant Director controls, directs and administers a major financial system, encompassing the organization's activities, and participates in the management decision-making and evaluation of programme performance. Budgets are of a very significant size and of such diversity as to require complicated interactions between finance and programme areas. Departures from previous precedents are required to respond to changing management needs and concerns arising from financial uncertainties.

- Develops and implements operational policies, performance measurements, standards and plans to ensure correct financial practices and adequate controls;
- Directs budget preparation, implementation (incl. Revision) and reporting; coordinates/conducts consultations throughout the organization;
- Coordinates the formulation and evaluation of financial reports for the Executive Director with particular attention to commenting upon compliance with the organization's programme of work and budget;
- Serves the legislative body and senior management as an authoritative source of advice regarding management of finances, and participates in the development of broad organizational objectives and related policies for implementation;
- Directs through supervisors the provision of financial services and maintenance of financial records;
- Performs the functions of Approving Officer for all UNOPS financial transactions; sets financial standards and formulates financial procedures that ensure adherence to the Financial Regulations and Rules and maintains or strengthens internal controls with the purpose of having UNOPS operate efficiently, effectively and in a business-like manner;
- Co-signs, along with the Executive Director, the UNOPS financial statements, certifying their integrity and objectivity;
- Reviews procurement *activities (purchasing of equipment* and supplies, contracting for works and services, and hiring of project personnel) and reports back to the Executive Director any non-compliance with standards and procedures; reviews performance and reporting of the imprest holders; and provides training on handling of Imprest Accounts and other finance and administration matters to headquarters and field staff as appropriate;
- Has overall responsibility for the activities of the Personnel Section and ensures that all UNOPS personnel (headquarters, outposts and projects) are recruited and administered effectively and efficiently;
- As UNOPS' Chief Procurement Officer (CPO), receives the advice of the Procurement Review Advisory Committee and approves or disapproves awards of contracts, as appropriate;
- As a member of senior management, participates, together with the other Assistant Directors, in all Management Coordination Committee meetings, Division Chiefs and ad-hoc meetings that may be called; represents the organization in interagency and external meetings dealing with budget and finance matters.

Qualifications and Experience:

- Post graduate degree in Business Administration and/or CPA;
- Professional budgetary and financial experience of 15 years, of which at least 5 must have been at Senior Management level, i.e., Controller or equivalent;
- Proven record of professional accomplishment and supervisory skills;
- Full proficiency in English and either French or Spanish.

Submission of Applications:

Candidates should submit an application including a letter of interest and C.V. to: Chief of Administration Section, United Nations Office for Project Services, 220 East 42nd Street, 14th Fl., New York, NY 10017. Reference: "UNOPS Assistant Director". Women candidates are encouraged to apply. Candidates are also requested, where possible, to attach a Personal History Form (P11), obtainable from UNOPS, New York, or the office of the UNDP Resident Representative. Applications should be received by UNOPS by 26 July 1996 and may be forwarded by FAX: 1-212-906-6515. Only those candidates that are shortlisted will be contacted.

UNOPS

United Nations Office for Project Services

Director, Treasury Projects

TRAVEL RELATED SERVICES

An American Express company

Brighton **c £50,000 + Benefits**

American Express is one of the best known branded companies in the world. Travel Related Services incorporates three product areas: *Cards, Travellers' Cheques and Corporate and Retail* Travel. These are supported by a series of highly qualified and energetic functional teams, with International Treasury providing critical input to the smooth and efficient operational activities, *as well as key strategic contributions* to the effective evolution of the businesses and their products.

As a result of internal promotion, there is a requirement to recruit a Director, Treasury Projects to head the small but highly regarded internal treasury consultancy team. The scope of this role is broad and enjoys a strong and authoritative profile reporting to the Vice-President and Treasurer for Europe, Middle East and Africa. Working alongside two other line treasury Directors, and having responsibility for a first class experienced team, this individual will define and lead projects, acting as a focal point of expertise and managing assignments from their inception through to implementation.

Candidates will probably be qualified accountants who have specialised in treasury for at least 3-5 years and are members of *the Association of Corporate Treasurers*. A strong command of international treasury, tax and related regulatory issues is essential, as is a proven track record of successful project management. Personal qualities will include an open and persuasive communication style, an energetic and committed work ethic, and the intellectual capacity to deal with a series of demanding and complex assignments concurrently.

Above all, we are particularly interested in individuals who are committed to rapid career advancement and who will thrive in the challenging and goal-orientated environment of this world class organisation.

Applicants should forward a comprehensive CV, quoting reference 298365 to Jon Boyle ACA, Executive Division, Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.

Michael Page Finance

Specialists in Financial Recruitment

London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Nottingham St Albans & Worldwide

PRICING ANALYST - £30k

LEASING - FINANCIAL SERVICES ESHER, SURREY

An excellent career opportunity for an accountant with a Leasing or Financial Services background to join this major UK company. Experience in the co-ordinating of pricing policies and analysis of profitability by market sector is essential. Career details please to:

Mike Stone,
Parkside Accountancy,
5 High Street, Staines,
Middlesex TW18 4QY
Tel: 01784 456111
Fax: 01784 452744

FINANCE DIRECTOR

Contract Logistics

North West Base **from £50,000 + bonus + car + benefits**

Our client is a major player in UK contract logistics, vigorously expanding by organic growth and acquisition and wishes to recruit a high calibre Finance Director to manage the financing of continuing expansion, whilst controlling the day-to-day finances and reporting of a multi-site business with a £60million plus turnover.

Candidates will be commercially aware, qualified accounts with exceptional technical and management skills. Proven success in managing the Finance function of a multi-site customer focussed service business is essential, ideally in Third Party logistics, with exposure to acquisitions, systems implementation and the development of effective management information.

This is a rare opportunity to join a young, demanding team and to display leadership, a mature management approach, conceptual vision and excellent communication skills in a vibrant, exciting and tough environment.

The immediate financial rewards are excellent, (including relocation to the N.W. head office), and the future potential for the position is high.

Apply in confidence quoting ref 792 to Hamilton Howatt FCA, ERP Selection & Search, 310 Chester Road, Hartford, Northwich CW8 2AB, enclosing a full cv and detailing how you believe you meet our client's requirements.

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NEWS: ASIA-PACIFIC

Malaysian visionaries of first 'intelligent city'

By James Kynge in Kuala Lumpur and Guy de Jonquières in London

Tengku Mohammed Azzman Shariffadeen is a prince of royal blood with a high-tech vision of Malaysia's future. His ambition is to turn his country into the Asian hub of the global information industry.

That vision was given a significant boost this week when Telekom Malaysia, the former state monopoly, announced it intended to invest M$5bn (US$2bn) over eight to 10 years to lay the infrastructure for a "multimedia super corridor" to accommodate high-technology companies.

Centred on Kuala Lumpur, the 600 sq km super corridor 15km wide and 40km long, is to link Kuala Lumpur's city centre, a new international airport and an administrative capital, Putrajaya, which is under construction at a cost of M$20bn. The government hopes the area will attract information processors, software groups, Internet operators, microchip designers and other high-technology groups.

Putrajaya would be the world's first "intelligent city", in which paperwork would be replaced by integrated information systems, which might also allow citizens to vote electronically in referendums. On-line networks at the airport would continuously monitor passenger and cargo movements.

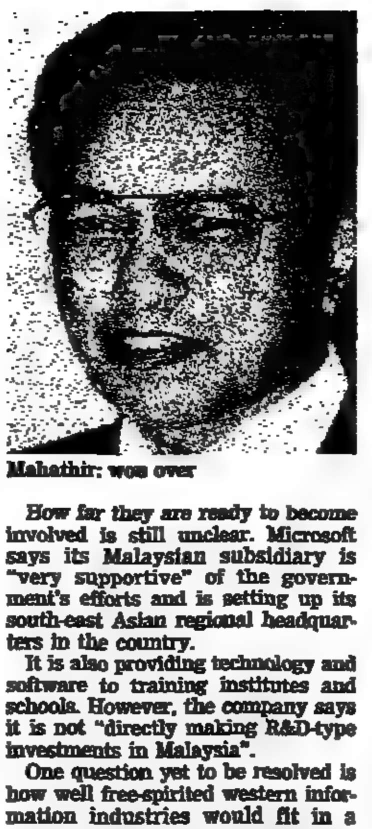
It is the bold vision of both Tengku Mohammed, director-general of the Malaysian Institute of Microelectronic Systems, part of the science and technology ministry, and prime minister Dr Mahathir Mohamed, who has been promoting the corridor, addressing Japanese and US business leaders. Next month, the prime minister will host an exposition in Kuala Lumpur, at which he hopes to win investment pledges from the estimated 25,000 participants.

That is only the start. Tengku Mohammed also sees the super corridor becoming home to a thriving community of information industries.

Dr Mahathir was won over to the idea – he is closely associated with the country's biggest prestige projects – two years ago by Mr Kenichi Ohmae, Japan's leading business guru and former head of the Tokyo office of McKinsey, the international management consultancy.

At the suggestion of Mr Ohmae, McKinsey was asked to produce a feasibility report on the super corridor. Tengku Mohammed says that after reading it, the prime minister concluded: "It's do-able, very do-able." Since then, things have moved ahead fast. A company has been set up to promote and market the super corridor, while NTT, Japan's dominant domestic telecommunications company, is carrying out a study on the technical specifications.

"We have approached this from the point of view of being world class," Tengku Mohammed says. "There is no way Malaysian companies can attain world class in a short time, so we are inviting foreign companies [to the exposition]." He says a number of international information luminaries have been invited to join a consultative board and to back the project's development. They include Mr Bill Gates of Microsoft, Mr Larry Ellison of Oracle and Mr James Clarke of Netscape.


Mahathir: won over

How far they are ready to become involved is still unclear. Microsoft says its Malaysian subsidiary is "very supportive" of the government's efforts and is setting up its south-east Asian regional headquarters in the country.

It is also providing technology and software to training institutes and schools. However, the company says it is not "directly making R&D-type investments in Malaysia".

One question yet to be resolved is how well free-spirited western information industries would fit in a country which bans pornography, censors expletives on television and is notoriously sensitive to foreign press criticisms of its leaders.

Singapore cracks down on Internet

By James Kynge in Kuala Lumpur

Singapore yesterday announced new measures to regulate the kind of material its citizens may view on the Internet. It said the new rules were aimed at protecting the national interest and shielding children from objectionable material.

The Singapore Broadcasting Authority said the measures – to take effect next Monday – required Internet operators, from main providers to cybercafés, to register with the SBA, a government body.

In addition, any organisation injecting locally produced religious or political material on the Internet's World Wide Web pages will need an SBA registration.

Once registered, Internet providers will be responsible for policing pages to ensure that objectionable material does not appear. SBA officials said the definition of "objectionable" included content "which tends to bring the government into hatred or contempt, or which excites disaffection against the government".

If such material is spotted, operators may be asked to block access to the web site where it appears. Failure to comply with the new regulations could elicit a fine or the cancellation of an operating licence.

SBA officials said the new measures did not mean that criticism of the government was banned but added that people should be "responsible". They did not define what type of criticism was responsible and what was not.

Singapore is due to hold national elections on an unspecified date after mid-August this year. Mr Goh Chok Tong, the prime minister, has said that he wants the ruling People's Action party to win with more than 60 per cent of the vote.

The city state has had a complicated relationship with the Internet.

On the one hand, it recognises the Internet as indispensable to its drive to become a regional hub for information technology.

On the other, it is concerned that the net may be a conduit for alien influences which may corrupt Singapore's value system of personal decorum and of respect for the family and state.

About 100,000 of Singapore's 3m people use the Internet.

Sumitomo losses reach Tokyo's corridors of power

By Emiko Terazono in Tokyo

The consequences of Sumitomo Corporation's huge copper losses are beginning to echo uncomfortably in the corridors of Japan's Ministry of International Trade and Industry, which has spent the last few weeks trying to distance itself from the affair.

On the day Sumitomo announced losses of $1.8bn, Mr Shumpei Tsukahara, the Miti minister, denied all knowledge of troubles in the copper market and of the particular problems at the trading house. "I found out about it only this morning," said Mr Tsukahara, whose ministry oversees the commodities market and the trading houses.

But the question of how much Miti and its minister knew about the Sumitomo case remains central to an understanding of its implications. Senior officials at the ministry now say they were told of the losses a few days before the Sumitomo announcement, but suggest the message was not relayed to the minister himself.

"Miti's reaction to the whole thing has been very strange," says a bureaucrat from another ministry.

The government reluctance to get involved has prompted questions in the Japanese media about the influence of trading houses and the impact of *amakudari*, government officials taking jobs in the private sector. Sumitomo has two former diplomats as advisers on its payroll, while a former prosecutor is one of four internal auditors. Tokyo prosecutors have said they will examine the case and the role of Mr Yasuo Hamanaka, blamed by Sumitomo for the losses, but it expected that an investigation will not be formally launched until late this year.

The claimed lack of a Miti role in the copper case contrasts sharply with its image as the central agency in developing the country's industrial policy and its ongoing role in resources. The natural resources and energy agency under Miti's wing has often been in close contact with trading house officials over plans for the trading of metals futures contracts in Japan.

Separately, a metal research institute affiliated to the ministry has kept a close eye on the London Metal Exchange, which was seen as a competitor when Miti was developing plans a decade ago to establish a metals exchange. While copper future trading is not likely in Tokyo soon, the trading of aluminium futures begins on a trial basis next April.

In numerous briefings and memos by ministry officials following Sumitomo's announcement, Mr Tsukahara has been told that the company had not broken domestic laws and that Miti does not have a further regulatory role in this case. He has diligently repeated these words and said the ministry must wait for the results of Sumitomo's internal probe; some Sumitomo staff have indicated the case is so complex that a conclusion will take "several years".

"Sumitomo has been in close contact with authorities in the UK and US over the matter and notified us in the last minute as a part of protocol," a Miti official explained.

A Japanese business magazine suggested that Miti's reluctance to get involved stemmed from its decreasing authority. The ministry has been plagued by highly publicised factional disputes and is in danger of a descent into oblivion, it said.

Some financial bureaucrats suggest Miti is trying to avoid the fate of the Finance Ministry in its handling of the Daiwa Bank debacle last year. The incident, where Daiwa was expelled from the US after revelations of fraudulent deals by a bond trader, highlighted the Finance Ministry's close ties with the banks and an accompanying lack of public disclosure. The incident led to domestic and international criticism and eventually prompted calls by Japanese politicians to break up the once omnipotent ministry.

Copper traders had hoped that last month's visit by US and UK authorities would give the Japanese government the cue to start its own investigation. However, Miti and Sumitomo only reiterated their willingness to co-operate with the UK Securities Investment Board, Serious Fraud Office and the US Commodity Futures Trading Commission, without making public revelations.

Indonesia's Suharto: a hard act to follow

Assurances that he is healthy have not ended speculation, writes **Manuela Saragosa**

Posing with his family for photographers during his medical check-up at a clinic in Germany this week, Indonesia's 75-year-old President Suharto appeared anything but ill. Smiling and chatting with his grandchildren and daughters, he made market nervousness about his health look premature.

But Mr Suharto's return home tomorrow and assurances that he can still play nine holes of golf with a handicap of 12 are unlikely to temper speculation about who is to succeed him. Since independence, Indonesia has had only one change-over of president and it was bloody and chaotic. And now "people are suddenly realising [Suharto] is old," says a western diplomat in Jakarta.

The death of his wife earlier this year was a reminder of Mr Suharto's own mortality and questions about the succession have centred on whether he will run for a seventh five-year term in 1998.

The former military commander has played a pivotal role in modernising Indonesia's economy. He brought the country from the edge of bankruptcy in the mid-1960s to the verge of middle-income status.

Most observers agree that Mr Suharto's successor will have to be a Moslem and acceptable to the military. The military, while having no constitutional role in politics, has long been a significant force under its self-proclaimed *dwifungsi* role – the dual functions of guaranteeing social order and security. As a national symbol, the president must also represent the country's Moslem majority.

Mr Suharto is widely credited with creating a sense of nationhood in a country with hundreds of ethnicities and languages. The process has at times been brutal; suspected communists have been persecuted, rebellions in outlying islands have been crushed in bloody conflicts, and generals and politicians who have dared oppose Mr Suharto have been sidelined.

The list of potential successors include the president's eldest daughter Ms Siti Hardijanti Rukmana, 47, who is chairwoman of the ruling Golkar party's central board, and his son-in-law, Brigadier General Prabowo, in his early 40s but already a rising star.

General Prabowo's rapid progression in the military to head of the elite army unit Kopassus is viewed as a sign Mr Suharto may be grooming him for the top post or the vice presidency.

However, some observers say a successor related to the president could smack of a dynasty at a time when there has been growing resentment at the expansion of the presidential family members' business activities.

Those outside the presidential family whose names are often mentioned are Mr B.J. Habibie, the minister for research and technology, Mr Ginandjar Kartasasmita, chairman of the development planning board, Mr Moerdiono, state secretary, and Lieutenant General Wiranto, commander of the army's strategic reserve command.

However, Mr Habibie has clashed with the military over the purchase of warships, and Mr Moerdiono and Mr Ginandjar, both ambitious senior officials, have their power bases in the bureaucracy rather than the military. General Wiranto, a former personal aide to the president, is regarded as a possible candidate partly because Mr Suharto held the position himself before he seized power in 1965.

At that time, however, no-one would have placed any bets on Mr Suharto. An obscure, apparently apolitical major general at the time, he ousted and replaced Indonesia's charismatic founding President Sukarno in the aftermath of an aborted coup blamed on the communists.

Mr Suharto's style of leadership contrasts with his predecessor's. Mr Sukarno gave flamboyant speeches, telling the west to "go to hell" with their aid. Mr Suharto often sounds wooden and devoid of emotion and rarely strays from his script. While Mr Sukarno preferred the pomp and luxury of the presidential palace, Mr Suharto chooses to live in his residence in a Jakarta suburb.

Diplomats say this apparent simplicity masks a shrewd, ruthless mind. Mr Suharto himself gives few clues. "The most important thing for me is to complete my term until 1998," he said two months ago in his most recent allusion to the succession. "But you should know that I'll be 77 then and that is old."

Under the constitution, the vice president is required to take over if the president dies in office. Former army commander Try Sutrisno, the current vice president, is widely regarded as an ineffective figure in Indonesian politics.

A successor will have to be voted in by the 1,000-member People's Consultative Assembly (the MPR), Indonesia's highest political body under the constitution. The MPR has some elected representatives but most are appointed by Mr Suharto.

There is always the possibility that Mr Suharto may choose to continue ruling from behind the scenes. Whether he does so or not, there is little doubt that the successor will have to guarantee the security of Mr Suharto's children and their business ventures, which range from satellite telecommunications to petrochemicals. However, a chosen successor may also have his or her own interests to protect.

"At some point there is a choice between sound economic policies and policies which benefit special interest groups," says one observer. "Suharto has balanced these but when he goes which will prevail?"


Suharto: nine holes of golf

ASIA-PACIFIC NEWS DIGEST

US takes hard line over Burma

The US will consult south-east Asian friends and allies on how to curb a "new tide of repression" in Burma, including a possible international economic boycott, secretary of state Warren Christopher said yesterday. But Mr Christopher, who is to meet foreign ministers from the seven-nation Association of South-east Asian Nations (Asean) in Jakarta from July 23 to 25, said he did not expect an early consensus on any proposed boycott to nudge Burma's ruling military junta towards democratic reform.

Meanwhile, Norway yesterday said it had evidence its honorary consul in Burma was tortured before he died in a Rangoon prison last month. Norwegian Deputy Foreign Minister Jan Egeland said Oslo held the Burmese military government responsible for the death of honorary consul Leo Nichols, a 65-year-old diabetic with a heart condition, after he was convicted of operating home telephones and fax machines without permission. Nichols, an unaccredited representative for Denmark, Norway, Finland and Switzerland, was sentenced to a three-year prison term in May. *Reuter, Washington*

Beijing rebuffs Taiwan offer

China rebuffed a fresh call yesterday by Taiwan's president Lee Teng-hui for a summit meeting with Mr Jiang Zemin, his Chinese counterpart. During an address to Taiwan's National Assembly, Mr Lee renewed his offer of a leaders' meeting in an effort to break a year-long freeze in relations.

"To start a new era in... co-operation across the Taiwan strait and ensure the stability and prosperity in the Asia Pacific region, Teng-hui would like to meet communist China's highest leader to exchange opinions," he said. Mr Lee had said at his inauguration address on May 20 that he was willing to hold such a meeting, but he asserted the island would pursue an international role, an ambition Beijing rejects. Mr Cui Tiankai, China's foreign ministry spokesman, spurned Mr Lee's offer: "The most urgent thing is for Taiwan leaders not to engage in verbal publicity but to take concrete action to return to the principle of one China." *Laura Tyson, Taipei*

China sees disruption over HK

China yesterday accused the Hong Kong government of disrupting progress towards the transfer of sovereignty from Britain on July 1 next year, charging it with blackmail over a dispute concerning the scope and definition of laws covering subversion and treason. A spokesman for the Hong Kong and Macao Affairs Office said that Britain and Hong Kong were taking an "irresponsible" stance and demanded co-operation to achieve a smooth handover.

The statement follows comments last week in which Mr Peter Lai, Hong Kong's security secretary, said the Hong Kong government was working on its own concepts of treason and subversion to bring the territory's official secrets act and crimes ordinance in line with the Basic Law – Hong Kong's post-handover constitution. Chinese officials said such issues were within its sovereign rights. *John Ridding, Hong Kong*

Arrest warrant for Murdoch

An Indian court has issued an arrest warrant for media chief Mr Rupert Murdoch, who has refused to appear at a defamation case filed by a descendant of Mahatma Gandhi, the nation's spiritual father. Lawyers said the warrant could not be served while Mr Murdoch was out of India. Last year, police returned a similar arrest warrant to court after failing to reach him. Mr Tushar Gandhi sued Mr Murdoch last year, saying his great grandfather was defamed by a guest on a Star TV chat show. Murdoch's News Corporation owns Star TV. Star TV apologised and took the show off the air, but Mr Gandhi says he will pursue the case. *Reuter, Bombay*

Mongolia's first private bank fails

Mongolia's first private commercial bank has collapsed under a burden of bad debt and poor management, agencies report. The Mongol Bank, or central bank, revoked on June 5 the licence of the Central Asia Bank (CAB), established in 1992 as Mongolia's first fully private commercial bank, for failing to meet interest payments on deposits, central bank official Ms Enkhjargal said.

"The reason for the insolvency was connected to bad management and poor loan collection... the mismanagement of assets and liabilities and the poor quality of loans," Ms Enkhjargal said.

The collapse underscores a banking crisis as the north Asian nation struggles to adjust to a market economy, officials said.

The CAB had been under central bank supervision after inspections revealed administrative problems and corruption, Ms Enkhjargal said. "We discovered during on-site inspections some problems such as bad management, bad loans and insider loans," she said.

To try to force Mongolia's fledgling private bank back into line, the central bank halted loans to the CAB, refused to issue new branch licences and fined its management, she said.

She declined to reveal the bank's assets and liabilities, saying the central bank had yet to complete its audit. It was unclear if depositors would recover their savings, she said, adding that she expected the courts to rule soon on whether the bank would be sold off or declared bankrupt.

Other bankers said the collapse of the CAB was a dramatic portent of a wider financial crisis facing the nation of 2.3m people as it struggles to swap seven decades of Stalinist central planning for market forces.

Mongolia's opposition Democratic Union Coalition swept home to a landslide victory general elections earlier this month, routing the former communists, who held power for 75 years and whose economic reforms were finally beginning to bear fruit.

Lloyd's reaches deal to end US action

By Ralph Atkins, Insurance Correspondent

Lloyd's of London yesterday all but removed the biggest obstacle facing its recovery plan by striking an outline deal to end legal action brought by US state securities regulators.

The agreement requires Lloyd's to find up to £40m ($62m) extra to help US Names – a fifth of the sum it is seeking to collect from them to cover underwriting obligations. In return, the regulators would not take any action to derail implementation of the insurance market's recovery plan this summer.

However, the US concessions will fuel demands from hard-line Names in the UK for extra help and are unlikely to prevent some of the most angry US Names continuing legal action.

The US deal improves further the chances of Lloyd's marking a dramatic comeback, after losses of more than £8bn in recent years, by winning sufficient support for the recovery plan by the August 28 deadline.

The plan includes a £3.1bn out-of-court settlement for loss-making and litigating Names, individuals whose assets have traditionally supported Lloyd's. The £3.1bn will help offset the cost of drawing a line under Names' affairs at Lloyd's. In return Names would have to drop litigating rights.

The US deal is a particular relief for Lloyd's because the state regulators could have prevented Names from taking part in the recovery plan, vital to securing the market's future. The regulators also could have scuppered the plan completely by freezing assets held by Lloyd's in the US to support local underwriting.

Mr David Rowland, Lloyd's chairman, said the deal "removes the final significant obstacle to the resolution of our past problems".

The agreement was reached with a negotiating committee set up by the North American Securities Administrators Association (NASAA) after a series of allegations that Lloyd's was mis-selling investment in the market.

The deal has to be agreed with individual states by late Saturday but Lloyd's is confident of winning approval from a large majority. The £40m extra Lloyd's has agreed to pay if all US states accept would be allocated to Names by the NASAA committee.

Lloyd's is braced for demands from other Names that they should also have special privileges – particularly those who have paid losses and resent seeing others being bailed out. But among moderate lossmaking Names' leaders, reaction last night to the US deal was positive.

The Association of Lloyd's Members said it had long recognised that the different legal and regulatory environment in the US "might well call for special provisions".

Mr Tom Benyon, the chairman of the Society of Names, said: "All Names should rejoice at this news. It looks like the end of world war three."

Influential Names group decides to back recovery plan

Leaders of a group representing nearly a quarter of litigating Lloyd's of London Names yesterday swung behind the insurance market's recovery plan, providing another boost to its chances of success, Ralph Atkins writes.

Mr Michael Deeny, the chairman of the 3,093-strong Gooda Walker action group, said the deal represented "a very considerable victory" for his members who had been victims of appalling negligence.

Group members expect to receive £524m ($813m) for losses on Gooda Walker action group syndicates – 97 per cent of total losses – and more than a £1bn, or 74 per cent, in respect of losses incurred across all Lloyd's syndicates. Names are individuals whose assets have traditionally supported the insurance market.

The action group's backing came as Lloyd's prepared to unveil figures today showing the market, after losses of more than £8bn, had bounced back with a profit of more than £1bn in 1993. Lloyd's reports three years in arrears.

On Monday, Lloyd's hopes at its annual meeting in London to win strong support for measures to finance the recovery plan.

The action group's recommendation is important because it represents some of the biggest losers from whom Lloyd's needs to collect outstanding debts and persuade to drop litigation.

Lloyd's last settlement offer, worth £900m, failed largely because it was rejected by Gooda Walker Names.

"We are actually being offered more than we can be confident of recovering through the courts," Mr Deeny said.

The Gooda Walker group will meet on July 30 to seek members' approval for settling their litigation.

Racing circuit aims for expansion

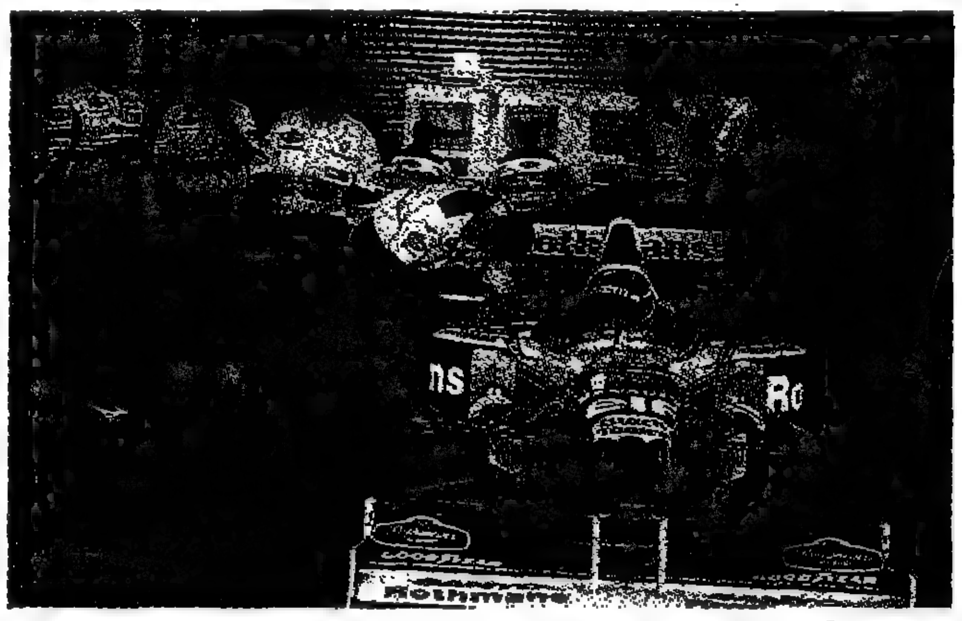
By John Griffiths in London

Silverstone, the circuit that has been synonymous with British motor racing for decades, could reinforce its claim to be the centre of the £1.3bn ($2bn) racing industry if an ambitious expansion plan goes ahead.

The British Racing Drivers Club, the owner of the site, wants to create a "technology village" for both the UK's world-beating motor sport industry and mainstream carmakers.

Silverstone Circuits, the company which operates the existing 800-acre Northamptonshire complex as a wholly owned subsidiary of the BRDC, has applied to local authorities in Northamptonshire and Buckinghamshire for permission to extend existing industrial units into a 50-acre technology park.

While the planning process is expected to take several months, the authorities are supporting the venture in principle – mainly based on its potential to create hundreds of jobs, with their multiplier effect in the surrounding economy. Silverstone already employs 400 people.



EMPICS (Nottingham)

Steering group: leading UK driver Damon Hill (extreme left) with the Williams team at Silverstone

Silverstone Circuits has also begun negotiations to buy a 400-acre site, adjoining the circuit, which contains two golf courses and on which there is existing planning permission for a 190-bedroom hotel.

The main Silverstone complex is already the subject of a £16m investment programme that in the past two years has seen the introduction of a conference hall and indoor and outdoor exhibition facilities, as well as the upgrading of spectator facilities.

By the end of the year, Silverstone Circuits intends to have the framework for a 1,200-acre complex, drawing together many of the small companies that have turned UK motor sport into what Mr Tim Eggar, the industry minister, described in the run-up to Sunday's Silverstone Grand Prix, as a £1.3bn "flagship" British industry employing 50,000.

As part of its campaign to improve UK business competitiveness, the Department of Trade and Industry is looking "urgently" at initiatives to spread the motor sport industry's culture more widely – "to make winners out of more and more British firms in industry at large", according to Mr Eggar. The technology centre may take longer to establish than in normal commercial conditions because the BRDC's constitution debars borrowing, and construction must be financed out of income. However, that has not prevented a total of £88m being spent or invested locally in the past decade, from receipts totalling £104m.

Last year the club turned over £18.7m and declared a pre-tax profit of £1.28m – derived mostly from the Grand Prix and from the 40,000 or more people who attended Silverstone's various motor racing, rallying and young drivers' courses last year.

Employers fear big extension of social legislation

By Robert Taylor, Employment Editor

Employers fear that a forthcoming European court judgment could lead to a big extension in Britain and the rest of the European Union of social legislation.

The ruling will be over the UK government's legal challenge to the EU working time directive on hours, holidays, rest breaks and nightwork.

Employers' concern emerged yesterday when Mr Zygmunt Tyskiewicz – president of Unice, the European employer organisation – said in Dublin that he feared the forthcoming court judgment could pave the way for a radical increase in social legislation for employees and trade unions.

The judgment – now expected in September – will decide if the directive is lawful. Under EU law a unanimous vote of member states is required for the introduction of any social measures unless they concern health and safety issues, when a qualified majority is needed. The UK said that laws on working time are not covered by health and safety criteria.

But employers fear the court may back last March's verdict by the court's advocate-general, who said he believed the EU needed only a qualified majority vote of member states to pass measures that involved "improvements" in the "working environment". His judgment said: "This must be construed in broad terms as including any factor affecting the worker in his work." If the court upheld the advocate-general's opinion, it would mean that a wide range of social measures could be introduced by qualified majority.

The UK's Engineering Employers Federation yesterday said it had warned the government nearly three years ago that its planned challenge to the working time directive could open the way to a broad interpretation of what areas could be covered by qualified majority voting and undermine the UK's opt-out from the social chapter.

Mr Peter Reid, the EEF's European co-ordinator, said yesterday that he believed the working time directive was flexible enough to provide scope for the UK government to introduce it into the UK "flexibly enough to ensure it has a minimum impact" on British companies.

Lower housing costs force inflation lower

By Graham Bowley and Gillian Tett

The UK's Office for National Statistics said British inflation fell to 2.1 per cent last month, its lowest rate for 30 months, thanks mainly to lower housing costs. The retail prices index rose 0.1 per cent between May and June to 153.0.

The annual inflation rate in the tax and prices index, which includes tax payments, services and goods, rose 0.6 per cent in the year to June, the smallest rise since January 1993. This implies the average household would have needed a rise of only 0.6 per cent in pre-tax income to maintain its living standards.

Only a year ago the rate of TPI annual increase was running at about 4 per cent, but it has fallen sharply since April as last November's Budget tax cuts came into effect.

This should be good news for the ruling Conservative government because it suggests a strong boost for consumer spending power because take-home wages are now rising significantly faster than prices.

At present average earnings are growing at an annual rate of 3.75 per cent, suggesting annual real post-tax earnings growth of about 3.15 per cent.

More disappointing for the government was the rate of underlying inflation, the government's favoured measure which excludes mortgage interest payments. This was unchanged at 2.8 per cent. The government's target is to bring inflation to 2.5 per cent or below over the next two years.

The Treasury said it remained convinced that inflation would remain low even if consumer spending surges next year.

Meanwhile, government hopes that it will fight the next general election on the back of a consumer spending boom are given a significant boost today as retailers report the strongest sales growth since 1990.

The Confederation of British Industry's distributive trades survey, published today, shows that almost two-thirds of retailers are now seeing higher sales than a year ago – a much higher proportion than in recent months.

The figures provide some of the strongest support to date for the upbeat forecasts for consumer spending unveiled by Mr Kenneth Clarke, the chancellor of the exchequer, this week.

He believes that tax cuts, lower interest rates and rising personal incomes mean that spending will be growing at a healthy annual rate of 4.25 per cent by next year.

Treasury officials have warned Mr Kenneth Clarke, the UK chancellor, that the government's spending targets for next year need to be cut significantly simply to take account of the improved outlook for inflation since last November's Budget, Roberts Chote writes. In Tuesday's summer economic forecast Mr Clarke left unchanged his forecast for the government's target measure of inflation but revised down the "GDP deflator", the broadest measure of inflationary pressure. The GDP deflator for 1995-96 has turned out at 2.5 per cent, rather than the 2.75 per cent expected last November. This means that cash plans for government spending outlined last November now concede a bigger increase in real resources to government departments than the Treasury had intended. Current plans now imply a 1.1 per cent rise in real core spending next year, rather than the 0.6 per cent implied in the Budget.

Pound's recovery prompts puzzlement

Popularity of Labour party is one explanation for currency's rise to 16-month high

The adjective least likely to have been associated with the British pound in recent times is "mighty". But over the past few months, the phrase "mighty pound" has been heard again on exchanges in the City of London as the currency begins to stage a modest comeback.

Its surprise revival – it has risen more than 5 per cent against a basket of other currencies in just seven months to a 16-month high – has provoked debate among currency analysts on possible explanations. Economists, too, are puzzling over the likely impact of the currency's appreciation on the UK economy.

Its rise has already had an effect. This week, official figures showed that manufacturers enjoyed the biggest fall in input costs for more than five years – thanks in large part to the strong pound, which cut the cost of imported raw materials. And Mr Kenneth Clarke, the chancellor of the exchequer, lowered interest rates last month – ostensibly to offset the rise of sterling and its impact on manufacturing exports.

Sterling's new profile

Source: Bank of England

The "Blair Factor" – the rising popularity of Mr Tony Blair, the Labour party leader, among international investors – is among the favoured explanations for the sudden resurrection, along with European monetary union and inflation's persistence in remaining low in spite of reasonably strong economic growth.

Mr Kit Juckes, currency strategist at NatWest Markets, charts the start of the pound's rise from mid-April, the date Mr Blair flew to New York to meet Wall Street investors and businessmen. That was the date, says to Mr Juckes, when international investors began to be persuaded that Labour could be trusted with the stewardship of the economy.

Up to that point, sterling had failed to join in a European rally that had seen several European currencies, including the Italian lira and the Spanish peseta, rally strongly against the D-Mark as the German authorities attempted to reflate their flagging economy by guiding the currency lower.

Investors were reluctant to invest in a currency which seemed to carry a large political risk.

They suspected that the Conservative party might take unwarranted risks with the economy in order to boost popularity before the next UK general election which has to be called by May next year. They also feared the prospect of a Labour government, which they associated with the inflation and overspending of the 1970s.

These fears and suspicions helped drag sterling to record lows in November. By that time, it had lost almost a fifth of its value since 1990.

In April, the mood changed. According to Mr Steve Hannah, head of research at IBJ International, the Japanese bank, investors were reassured that a Conservative party election "scorched earth" policy was unlikely. Inflation looked set to remain low and problems with the trade gap failed to materialise. Meanwhile, Mr Clarke repeatedly talked down the chances of a pre-election tax giveaway.

More importantly, investors began to believe that not only was a Labour victory increasingly likely, but that Labour economic policies would be very similar to the present government's.

"International investors began to be persuaded that New Labour is nothing to fear," said Mr George Magnus, chief international economist at UBS, the Swiss Bank.

The pound also benefited from the feeling that a Labour government was more likely than the Tory party to take sterling into Emu – and so would benefit from the anti-inflationary rigour of the proposed European central bank.

However, not everyone in the City of London is convinced about Labour's stance on the single currency. "The majority of people in the market would say Labour is as split as the Tories on Emu," said Mr Hannah.

Cynics think that the rally will continue – but only as long as the German Bundesbank chooses to keep the D-Mark weak and the dollar – which has also been strong of late – holds up.

The government might also be called on to curtail the pound's rise if any further appreciation begins to make UK exports uncompetitive.

"This is a level exporters can feel comfortable with but beyond that we might be running risks on the exporting side," said Mr Hannah.

Graham Bowley

UK NEWS DIGEST

Pilots' strike threat averted

The threat of an indefinite strike from next Tuesday by British Airways pilots and flight engineers was averted last night when agreement was reached on a new pay proposal.

Mr Chris Darke, the general secretary of Balpa, the pilots' union, said the agreement was a "tremendous result" for staff. Its final details were hammered out with Mr Bob Ayling, British Airways chief executive, after three days of intensive talks. "These have been tough, difficult negotiations but we have secured most of what our members wanted when we polled them earlier in the year", Mr Darke added. "We are absolutely delighted".

He said the agreement had been achieved because of the "solid determination and support" the union had received from BA staff around the world. "It has taken a great deal of effort but we made it. Planes will fly next week", he added.

BA had threatened last week to hire new pilots to break the strike if it had begun. It claimed to have more than 3,000 applicants on its books.

Mr Ayling had warned that a stoppage would have meant cancelling aircraft purchases and a freeze on staff recruitment.

Meanwhile, leaders of the Communication Workers union announced four further national stoppages by postal workers yesterday after negotiations with Britain's Royal Mail on pay and changing work practices collapsed. The union said the action could cost the Royal Mail up to £5m ($7.8m) for each day.

Robert Taylor, London

■ POLITICIANS' PAY

MPs give themselves £9,000 rise

British MPs have awarded themselves a controversial pay rise of 26 per cent in a move which is certain to fuel intense anger among the UK's public sector workers. In spite of calls for pay restraint from Mr John Major, the prime minister, and Mr Tony Blair, the Labour leader, the House of Commons voted by an overwhelming majority on Wednesday night to accept a proposal that MPs should get an increase of nearly £9,000 ($14,000) a year.

Amid chaotic scenes in the Commons chamber, MPs voted by 279 votes to 154 to accept a proposal that their salaries should instantly rise from £34,085 to £43,000. Earlier they had rejected by 317 votes to 168 a government proposal that they should receive a salary increase of 3 per cent, in line with inflation. The size of the vote against the government was an embarrassment to the prime minister.

The votes are certain to make it more difficult for the government to impose a pay squeeze on public sector workers later this year.

James Blitz, Westminster

■ MOBILE PHONES

Orange campaigns against rivals

Orange, the mobile phone operator, is mounting a big advertising campaign about standards in the UK mobile phone industry which is aimed directly at its rivals – including Vodaphone over which it won a High Court victory on Monday.

Orange intends to publish a series of advertisements drawing attention to its legal success and aspects of the business that it thinks should be changed. The initial campaign will cost £1m ($1.55m); the total could amount to £4m.

Mr Hans Snook, Orange group managing director, said the industry indulged in practices, including concealing costs, that confused customers and "had to stop". Vodafone unsuccessfully sued Orange for malicious falsehood and trademark infringement after Orange advertisements suggested that Orange users save £20 a month.

Alan Cane, London

■ BROADCASTING

BSkyB to launch pay-per-view

British Sky Broadcasting, the satellite television service, plans to launch a pay-per-view feature film service this autumn.

BSkyB has been having talks on the issue with the main Hollywood studios. The aim would be to show three different movies a night on three existing analogue satellite channels. The pay-per-view service would, for a fee, show films earlier than on the existing BSkyB film channels, for which viewers pay a monthly subscription.

A launch of pay-per-view this autumn would serve as a test run for plans to launch digital satellite television late next year, complete with more than 200 television channels.

Raymond Snoddy, London

■ INVESTMENT

Moves into India sought

The UK government was yesterday urged to adopt a range of measures to encourage British investment in India, including pressing for a liberalisation of the Indian steel and insurance industries. The Commons trade and industry committee, in its report "Trade with India", also called on the government to make trade promotions more effective, and to promote a positive image of UK technology. The report says India's economy has changed significantly in the 1990s and that between 1992 and 1995 UK exports grew by almost 80 per cent. The UK has also been the third largest source of new investment in India in the past four years.

George Parker, London

■ POLITICS

Pro-Europe approach urged

Two former foreign secretaries in Britain's ruling Conservative government yesterday united to urge the government to adopt a more pro-European approach to its campaigning. Speaking at the annual meeting of the Conservative Group for Europe, Mr Douglas Hurd urged his pro-European colleagues to become a "church militant".

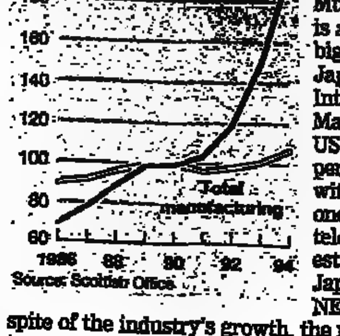
"We have to be ready to defend Britain's place in Europe against those who, wittingly or unwittingly, undermine it," he said. Lord Howe, at the same meeting, said the Conservative party "cannot be, and never will be, electorally successful as a Eurosceptic party". Mr Hurd also made a strong attack on those Tories, led by Mr Michael Howard, the home secretary, who have been arguing that the government should reassert the primacy of UK law over European law, to lessen the power of the European Court of Justice.

Robert Peston, London

■ INDUSTRIAL OUTPUT

Scottish electronics show growth

Chipping in



Source: Scottish Office

Electronics is the dominant sector in Scotland's manufacturing industry. Output grew by 30 per cent in 1994, according to Scottish Office figures. Much of the industry's output is accounted for by about 20 big plants owned by US and Japanese multinationals. International Business Machines and Compaq, of the US, have plants assembling personal computers; Motorola, with two microchip plants and one factory making mobile telephones, is Scotland's largest industrial employer. Big Japanese companies include NEC, JVC and Mitsubishi. In spite of the industry's growth, the number of people employed in 1994 was, at 45,900, fewer than in the late 1980s, although marginally above that for 1984. Only 36 per cent of the electronics workforce is employed in UK-owned plants, which tend to be smaller.

James Buxton, Edinburgh

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Beauty and the beast

Richard Fairman catches up on the Verdi Festival at Covent Garden

The last events of this year's Verdi festival at the Royal Opera are now underway, so a progress report may be in order. It has been a mixed year: the only real success was the French *Don Carlos*, shared with opera-houses in France and Belgium, which threw a new and valuable light on one of Verdi's most important works – the sort of exercise a festival like this is all about.

The rest of the programme has been a series of greater or lesser disappointments. The one new home-grown staging was *Giovanna d'Arco*, which divided opinion without raising much in the way of either controversy or excitement. What should have been a welcome rare production of *Il Corsaro* fell victim to budgetary belt-tightening, turning into concert performances of decidedly slim musical interest. That left a single concert performance of the still rarer *Alzira* and a revival of *La traviata* this week to make up lost ground.

Verdi was a better judge of his work than most composers and in later years he described *Alzira* as "proprio brutta" (downright ugly). These days we are so keen to search out any hidden moments of beauty in his output that even *Alzira* gets a hearing, but overall there seems little reason to disagree with his low opinion of it. Perhaps "ugly" is not quite the word. The problem with *Alzira* is more that Verdi is going through the motions without revealing any specific interest in either the plot or the characters.

As so often in his early operas, the background to the story involves an oppressed people, enabling Verdi to write the fiery music that roused the spirit of his patriotic audience in the 1840s. Mark Elder and the Orchestra of the Age of Enlightenment made a splendid job of it, getting the sparks to fly without merely driving the music hard. Their partnership was the success of last year's festival and it is good to see the Royal Opera learning from that and drawing them further into the festival's plans.

They have brought Verdi on original instruments into the Royal Opera House, but we do not yet have original voices (a more problematical concept). The cast for *Alzira* was hearty and only intermittently stylish. Alexandru Agache, who sang Gusmano, has a huge baritone and impressive breath control, but does not use them to go the next step and create expressively-shaped vocal lines.

Keith Ikaia-Purdy had the best aria as the tenor Zamoro and sang it with straightforward confidence. As Alzira, Veronica Villaroel was more complex, a sentient stylist in a rather arty way, whose soprano cut through the air with a powerful edge. Her curtain-call was a little operatic *scena* all on its own.

The revival of *La traviata* is coming round double cast. While the opera world's lovebirds – Angela Gheorghiu and Roberto Alagna – are singing four performances, the Royal Opera is interleaving a further four performances with an equally youthful second eleven. Elena Kelessidi is a Violetta of modest vocal means. Her soprano is shallow and quavery with a fast vibrato, barely strong enough one might think to carry, but she makes the very most of what she has. By the end she has become extremely touching, not least because she sings as though her heart is in every line.

Vincenzo La Scola's Alfredo is her opposite number in every sense, strong on vocal projection, but lacking romantic appeal. Dmitry Hvorostovsky, playing the youngest old Germont père one is likely to see, sang with his customary beauty of tone and long, arching lines, although his mellowness never sounds very Italianate. Simone Young dispatches the opera with little comment in the pit.

Next year's Verdi festival looks as though it may manage to cobble together a decent programme despite the Royal Opera's financial problems, but what of the next two years, when the house is closed? This is too important a project to be left to flounder in the interim.

Alzira will be broadcast on BBC Radio 3 on July 16; further performances of *La traviata* until July 19.

Alastair Muir

Elena Kelessidi as Violetta in the latest 'Traviata' revival

Clichéd love duet: Iain Glen as the false Martin with Juliette Caton as his supposed wife, Bertrande

Alastair Muir

A clanger of a doppelgänger

Alastair Macaulay reviews the musical 'Martin Guerre'

Much is dismaying about the modern blockbuster musical, *but nothing more so* than its cheap reduction of humanity. Whether the musical is in the morbid-grandiose vein favoured by Lloyd Webber or in the crass-idealistic vein of Boublil & Schönberg, the result is both bludgeoning and trite: formulaic, mannered, repetitious. The infinite gradations of the human spirit – once so winningly released and displayed in many musicals from *Show Boat* to *Guys and Dolls* – become monolithic.

Martin Guerre, the latest Boublil-Schönberg musical being presented in the West End by Cameron Mackintosh, opened last Wednesday, with advance takings at the box office that are rumoured to be around £3m. It is, of course, trash, (nobody can have been expecting a work of art from the stable that produced *Les Mis.* and *Miss Saigon*), but is it, you may ask, enjoyable? One can cherish, after all, such fabulous bits of trash such as *Flash Gordon* or *The Prisoner of Zenda* more than one loves certain indisputably fine works of high art.

But *Martin Guerre* is a bore, and a surprisingly inefficient bore. It fails to tell its story clearly, it has a terrible dearth of tingle-inducing big numbers, and it abounds in cliché and mannerism.

The mannerism that may well get most on your nerves after an hour or two is metric. Boublil & Schönberg, using here English lyrics by Edward Hardy, trot out all the early syllables of a phrase with even stresses, often on a monotone or something close, before clouting us with the final syllable or two. The supposed "Martin Guerre" sings, for example, to his uncle, "I'm-a-Pro-test-ant, *Yes*. Of-this-sin-I-am *Proud*." And the villagers – when the new Martin Guerre returns after seven years away at war – sing: "It's-a-maz-ing-how-he's Al-Tered".

Then there are the problems that Act One tells its story clumsily, and Act Two makes its points pretentiously ("The-imp-ost-ors-are *Here*"). Too bad, for *Martin Guerre* touches on the deeply stirring notion of the *doppelgänger* who is (or here becomes) a purer, better self – the romantic notion that is, in fact, so intoxicating in *The Prisoner of Zenda* (and *Tale of Two Cities*).

It is impossible to give a good performance in material like this. The waste of handsome, likeable Iain Glen (playing the false Martin) in this quagmire is the most depressing feature of the show; and it is a nasty shock to see a good actress like Sheila Reid playing one of the three village crones. As Martin's supposed wife Bertrande, Juliette Caton sounds constantly plaintive, and frequently sings under the note.

The director, and co-adaptor, is Declan Donnellan. The only features of the production that bear any resemblance to his important work with Cheek by Jowl are the worst ones. There is too much rushing to the front of the stage and gesturing, and much too much choreographed "expressive" ensemble stamping. The way that Bertrande and the fake Martin fall in love, she on the right, he on the left, gradually coming together to meet on the centre-line, is the kind of cliché I never would have imagined seeing in a Donnellan production. Their love duet, "All I Know," is, alas, as dull as everything else. "I Love You *So*. And-the-love-of-you-is All-I'll-*Ev*, Er, *No*."

Prince Edward Theatre, W1.

Dance/Clement Crisp

Glacial account of a tragic ballet

Despite the changes that have befallen it in 70 years – maybe because of them – the Rambert company remains custodian of a grand creative tradition. The adventurous was – given sixpence in the coffers – its choreographic goal. Even in the darkest days of touring *Coppélia* round sullen provincial theatres, there was always the knowledge that, with a bit of cash encouragement, the company could put on good new work, and also revive pieces from its repertory that were a reminder of great things that had been done in the past.

I suppose that much of the Rambert ancestral silver is now impossible to put on display, though there are important works by Frank Staff, Andree Howard, Walter Gore, Ashton, that ought to be revived by some company or other as testimony to marvels that were achieved in England in the 1930s and '40s. Antony Tudor's ballets are a special case. *Jardin aux lilas* and *Dark Elegies* are among the strongest genetic strains in the Rambert identity. Other companies dance them – usually on stages too large and with artists too small – but they are quintessential Rambert creations, and it was happy news that the new Rambert Dance was to restore *Elegies* for this Coliseum season.

Alas, the revival is misjudged in every way. I never saw the original and stellar 1937 cast – Maude Lloyd, Peggy van Praagh, Agnes de Mille, Hugh Laing and Tudor. They were dancers of intense physical presence, profound artistry. I knew the next Rambert generation, and their dedication (and an afterglow from the roles' creators) told me much about the style and power of a ballet which deals with the grief of young parents on the death of their children.

Its subject is all too pertinent today, not only because of the Dunblane abomination, but in tragedies from Bosnia to the Congo. It might be remote as the moons of Jupiter to judge by the glacial account given by Rambert on Wednesday night. The Nadia Benois set looked murky. The score sounded lethargic – like the dance, it lacked a sustained pulse – and the baritone soloist (Nathan Berg) was sometimes inaudible. The cast were careful, reverential, dull. The text was no less careful, reverential and dull.

Though some companies have played *Elegies* on large stages, it is most communicative, most heart-searing (and it can touch the heart as few other ballets I know) when focused in a small area. During the last war, Rambert – with some trepidation – performed it in canteens, factories, as well as theatres. Against all expectations the public, who might be thought to be sated with grief, found comfort and a sense of release in the dance. The present cast are not without expressive skill, but they seem unable to let their emotions colour Tudor's very exact language. The choreography is dispersed like smoke in the Coliseum. The ballet is not lived in.

> *Rambert's revival of Anthony Tudor's 'Dark Elegies' is misjudged*

Christopher Bruce's *Rooster* which ended the evening with its Rolling Stones songs and strutting chaps is still wonderfully alive, and danced to the very hilt. It is a huge popular success, deservedly so, and Fabrice Serafino, whizzing through it like a bolt of lightning, is a marvel. Bruce's new *Quicksilver* began this second programme as a tribute to Marie Rambert and her progeny. It is set to extracts from Michael Nyman's score for the film *The Piano*. This is the most fearful tosh – Stephen Lade, so admirable the night before playing Mozart, deserves danger money for having to soil his fingers with it – and it begets dull action. The choreography is well-intentioned, and everyone dances splendidly. I was bored to sobs by the whole thing, and kept asking myself how anything about Mim Rambert could be so soppy.

Quicksilver is sponsored by Manchester Airport.

Cheltenham

New music without tears

This year's Cheltenham International Festival of Music got underway at the weekend. *When*, exactly, did it become "International"? I cannot remember; but the composer Michael Berkeley's new regime (he became its artistic director last year) gives the adjective full value. In the current season Russians are favoured, both performers and composers – some of them fascinating rediscoveries from the early part of this century, along with their living compatriots.

And there are 26 premieres! From his arrival Berkeley insisted that every programme should include something by a living composer, which has revived the old festival's ambitions to robust effect. The modern works are cannily placed in the most hospitable musical surroundings; nobody is frightened, and often they are delighted.

But presenting so many first performances, and not of mere "workshop" pieces – some commissioned by the festival itself, some from elsewhere – does immense credit to Berkeley's evangelistic drive. Cheltenham is becoming for (relatively) "conservative" new music what the Huddersfield Festival is for the (relatively) "radical" stuff. Just the focuses that we and the composers need; long may they thrive.

On Saturday we had the premiere of a concise two-act opera by John Woolrich and Marina Warner, *In the House of Crossed Desires*, jointly commissioned by the festival and Music Theatre Wales, who performed it. Miss Warner tells a teasing tale in the manner of Apuleius's *The Golden Ass* (with a *dea ex machina* cop-out at the end), and entrusts it to a kind of feminist *commedia dell'arte* troupe, four women singing six roles of both sexes. Woolrich, whose viola concerto I admired here a year ago, has set it to spare, simple music, with a slender ensemble of piano, clarinet, trombone, bass and percussion.

He has found just the right tone for the piece: pawkily temperate and winsome, even-tempered with only the slightest hints of malice, and the instrumentation is puritanically plain. Though the music is based on a 12-note row or two, the dissonance-level is low; it even licenses some fulsome duetting in thirds and sixths. On the other hand, the pace is too temperately even by half. The recitatives, which include some of Warner's neatest lines, chug along in their crotchets and quavers to infinity, with minimal gear-changes.

Without extra stage-business, that did become wearisome and some of the audience fell to studying the programme-book instead. Eventually the net effect was disarming enough, with agreeable performances by all the quartet (especially Debra Stuart and Susan Gorton), and many unemphatic subtleties; but it wanted a real heartbeat and a livelier pulse.

Next morning, the excellent Nash Ensemble concert in the Pittville Pump Room featured a Simon Bainbridge premiere: four Primo Levi poems set for mezzo-soprano – Susan Bickley, objective but sympathetic. Though they made rather a slow, gloomy set, the shapely line and the darkly luminous colours Bainbridge drew from clarinet, viola and piano left a strong impression. The pianist Ian Brown also delivered an earlyish Chaconne by Sofia Gubaidulina, which packed a lot of vigorous drama into its brief span.

David Murray

INTERNATIONAL ARTS GUIDE

■ AMSTERDAM

CONCERT
Concertgebouw
Tel: 31-20-5730573
● Vladimir Spirakov: the violinist performs works by Beethoven, Bartók and Mozart; 8.15pm; Jul 15

■ BARCELONA

EXHIBITION
Fundació Antoni Tàpies
Tel: 34-3-4870315
● Craigie Horsfield: exhibition of 50 photographs by British artist Horsfield; to Jul 28

■ BERLIN

EXHIBITION
Kunstgewerbemuseum - Tiergarten
Tel: 49-30-2662902
● Restauriert, Konserviert - Neue Arbeiten aus den Werkstätten des Kunstgewerbemuseums: exhibition focusing on works from the museum collection that were recently restored. The display tries to give insight into the process of restoration and includes furniture, porcelain, textile and goldsmith's art; to Jul 28

■ BIRMINGHAM

CONCERT
Symphony Hall
Tel: 44-121-2002000
● City of Birmingham Symphony Orchestra: with conductor Sakari Oramo and guitarist Nicola Hall perform works by Ravel, Rodrigo and Berlioz; 7pm; Jul 13

■ CHICAGO

EXHIBITION
Art Institute of Chicago
Tel: 1-312-4433600
● Alone in a Crowd: Prints by 40 African-American artists of the 1930s-1940s from the collection of Reba and Dave Williams, exploring the artists' contribution to printmaking and offering a view of African-American life during the period; to Jul 14

■ DUBLIN

CONCERT
National Concert Hall - Geoláras Náisiúnta Tel: 353-1-6711888
● '96 String Along: Roy Holmes and Richard Jenkinson: the pianist and cellist perform works by Mozart, Buxtehude and Chopin; 8pm; Jul 15

■ LONDON

CONCERT
Barbican Hall Tel: 44-171-6384141
● La Damnation de Faust: by Berlioz. Performed by the London Symphony Orchestra with conductor Kent Nagano, mezzo-soprano Susan Graham, tenor Giuseppe Sabbatini, baritone Natale de Carolis, the London Symphony Choir and the New London Children's Choir; 7.30pm; Jul 14
Queen Elizabeth Hall
Tel: 44-171-9210600
● Die Schöpfung: by Haydn. Performed by the Orchestra of the Age of Enlightenment with conductor Sir Simon Rattle, soprano Hillevi Martinpelto, tenor John Mark Ainsly and bass Robert Lloyd; 7.45pm; Jul 13
Wigmore Hall Tel: 44-171-9352141
● Peter Donohoe: the pianist performs Chopin's Scherzo No.3 in C sharp minor, Op.39, 2 Nocturnes, Op.62, 3 Waltzes, Op.64 and 12 Etudes, Op.10; 7.30pm; Jul 13
EXHIBITION
Institute of Contemporary Arts - ICA Galleries Tel: 44-171-9303647
● Chapmanworld: Dinos & Jake Chapman: like the Futurists or Situationists, the Chapmans issue manifestos, describe themselves as terrorists and make highly provocative work. This is their first big solo exhibition and features entirely new work; to Jul 14
OPERA
Royal Opera House - Covent Garden Tel: 44-171-2129234
● *La Traviata: by Verdi. Conducted* by Simone Young and performed by the Royal Opera. Part of the Verdi Festival '96; 7.30pm; Jul 13, 16 (7pm)

■ MADRID

EXHIBITION
Museo Nacional Centro de Arte Reina Sofia Tel: 34-1-4675062
● ?BUNUEL! La mirada del siglo: Based on Luis Buñuel's film "La edad de oro", the exhibition focuses on work by people who inspired Buñuel or were themselves inspired by his work and features 500 works, including paintings, drawings, sculpture, books and photographs; from Jul 16 to Oct 14

■ MUNICH

OPERA
Nationaltheater
Tel: 49-89-21851920
● Idomeneo: by Mozart. Performed by the Bayerische Staatsoper and conducted by Peter Schneider. Part of the Münchner Opern-Festspiele; 7pm; Jul 14

■ NEW YORK

CONCERT
Avery Fisher Hall
Tel: 1-212-875-5030
● Livia Sohn and Robert Koenig: the violinist and pianist perform works by Mozart and Corigliano. Part of the Mostly Mozart Festival; 8pm; Jul 12, 13
● The Chamber Music Society of Lincoln Center: with clarinettist David Shifrin, special guest Alicia de Larrocha, violinists Ani Kavafian, Kerry McDermott and Joseph Silverstein, *viola-player Paul* Neubauer, cellist Fred Sherry and double bass-player Lewis Paer perform works by Mozart and Weber. Part of the Mostly Mozart Festival; 8pm; Jul 15
EXHIBITION
Brooklyn Museum
Tel: 1-718-638-5000
● Converging Cultures: Art & Identity in Spanish America: more than 250 objects, ranging from large architectural pieces and furniture to Peruvian textiles, Mexican manuscripts, and Spanish colonial pieces of jewellery, focusing on the two Spanish viceroyalties of New Spain (Mexico) and Peru; to Jul 14

■ PARIS

EXHIBITION
Musée du Louvre
Tel: 33-1 40 20 50 50
● François 1er par Clouet: Two portraits of François I in the Louvre collection. An attempt to answer the question of whether they were painted by Jean Clouet, son François or brother Paul; to Aug 26

■ ROME

CONCERT
Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
● John Bayless: the pianist performs works by Gershwin and Puccini; 9pm; Jul 15

■ STUTTGART

CONCERT
Staatstheater Stuttgart
Tel: 49-711-20320
● Staatsorchester Stuttgart: with conductor Gabriele Ferro perform Webern's *Passacaglia, Op.1*, 6 Stücke Op.6 and 5 Stücke, Op.10 and R. Strauss' Eine Alpensinfonie, Op.64; 11am; Jul 14, 15 (8pm)

■ THE HAGUE

EXHIBITION
Haags Gemeentemuseum
Tel: 31-70-3381111
● Van Monet tot Matisse, Franse Meesters uit het Poesjkin Museum in Moskou: 60 French paintings from the collection of the Pushkin Museum in Moscow, dated between 1870 and 1912 and ranging from Impressionism and Post-Impressionism to Fauvism and early Cubism. Artists include Monet, Cézanne, Gauguin, Picasso and Matisse; from Jul 13 to Oct 13
JAZZ & BLUES
Nederlands Congresgebouw
Tel: 31-70-3502034
● North Sea Jazz Festival: festival highlights on Jul 13 and 14 include performances by Jean 'Toots' Thielemans and Bert van den Brink, Oscar Peterson, Van Morrison, Little Richard, Isaac Hayes, Al Jarreau (Jul 13), Ray Brown and Betty Carter and her Trio (Jul 14); Jul 13, 14

■ WASHINGTON

EXHIBITION
National Gallery of Art
Tel: 1-202-7374215
● Thomas Eakins: The Rowing Pictures: All known works depicting rowing subjects by American realist painter Thomas Eakins (1844-1916) are brought together for the first time; to Sep 29

■ ZURICH

JAZZ & BLUES
Opernhaus Zürich
Tel: 41-1-268 6666
● Joe Henderson Double Rainbow Quartet and Joao Bosco e Grupo: perform Brazilian jazz music; 7.30pm; Jul 15

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Financial Times Business Tonight

Philip Stephens

Conspiracy of silence

The decision on a single currency is of momentous significance but politicians on both sides are keeping the public in the dark

John Major and Tony Blair have chanced upon a convenient collusion. They hope to sustain it through the general election campaign. It concerns the most important decision the British government will face during the next parliament. Some might call it a conspiracy of silence. The only losers are the voters.

The issue they propose to dodge is the European Union's plan for a single currency. More specifically, it is whether Britain will join. You do not have to be partisan in the debate to agree that this is an issue of momentous economic and political significance. The answer will shape the nation's destiny.

Consider what the two main parties intend to say to the electorate in advance of that decision. To paraphrase: it is too distant a prospect for us to have a firm policy; there are too many imponderables; it is all very complicated; it might not even happen; we will have a referendum or, in Labour's case, a referendum or another general election.

Putting it politely, this is telling less than the whole truth. Economic and monetary union can no longer be pushed into a dim, distant future. The winner at the election, whether Mr Major or Mr Blair, may have to make up his mind almost as soon as the votes are counted.

We cannot be certain, of course, that Germany and France will meet the deadline to merge their currencies by January 1 1999. On present plans the final decision will be deferred until the spring of 1998. There could yet be a postponement.

But the presumption of responsible politicians must be that the project will proceed on schedule, that the political will in Bonn and Paris will overcome the economic obstacles. In that case, the occupant of 10 Downing Street may need to decide sterling's fate within months of the election.

Let me explain. The precise timetable is a complicated equation. But since it has been the subject of much obfuscation, it is worth spelling out in some detail.

Mr Major expects to call the election in May 1997. A strict reading of the Maastricht treaty and of the protocol enshrining the British opt-out suggests that the incoming prime minister would have until January 1998 to choose whether to participate in Emu. A more liberal interpretation would stretch that timetable to March of the same year. The latest, theoretically possible, deadline would be June 30 1998.

But the provisions of the treaty tell only half the story. Even if Britain meets the criteria for economic convergence, the government would be obliged to jump several domestic hurdles before it could go ahead.

The first is an almost forgotten provision in the Maastricht Act. It specifies that before Britain notifies its intention to join a single currency, it is required to pass another act of parliament. No-one can pretend that would be easy. It would also be just the start.

Being in the first wave of Emu would require at least three, and, possibly four other pieces of legislation during the first session of the new parliament. A bill would be needed to give independence to the Bank of England. The deadline for enactment would be July 1 1998. A law would be required to change the arrangements under which the government funds its borrowing requirement. Yet another would probably be necessary to transfer ownership of the foreign currency reserves from the Treasury to the Bank. And, assuming that a victorious Mr Blair did not opt for another general election, there would have to be a referendum bill.

> The winner at the general election, whether it is Mr Major or Mr Blair, may have to make up his mind almost as soon as the votes are counted

Legislation takes time. Constitutional legislation like this takes forever. Line up all the hurdles and the best guess of the Whitehall officials paid to understand these things is that to be in at the beginning in 1999, the incoming government would have to make up its mind in principle during the autumn of 1997.

Now rephrase what the politicians intend to say at the election. Within a few months we will make the most important choice Britain has faced in decades. But please, please, do not ask for any clues as to what we may decide.

Their real intentions, of course, are different. Mr Major has no wish to participate. So long a prisoner of his party's Eurosceptics, he is suffering from what you might call Patti Hearst syndrome. You remember Ms Hearst, the American heiress kidnapped during the 1970s by a group of urban guerrillas known as the Symbionese Liberation Army. After a spell in captivity she decided to join them.

The cruel memory of sterling's departure from the exchange rate mechanism is etched on Mr Major's soul. More than once recently I have been told by cabinet colleagues that the prime minister says that, left to himself, he would rule out the possibility for the lifetime of the next parliament. The Eurosceptics – inside and outside the cabinet – are even now planning an autumn campaign to force Mr Major to do just that.

But he cannot do so without seeing Kenneth Clarke and Michael Heseltine quit the cabinet. They have conceded a referendum on the issue. If the economic circumstances are wrong, Mr Clarke might well accept that Britain should stand aside initially. It could join later. The chancellor has said as much many times in public.

But if Mr Major were to rule out participation for the lifetime of a parliament he would in effect be closing the door indefinitely. The Conservatives could not fight the 1997 election in defence of the pound and then propose to abolish it a few years later. So, for pro-European Tories keeping the option open is an article of faith. The prime minister is left with fudge.

Mr Blair's position is different. Temperamentally, he shares the view of most pro-European pragmatists that, if a single currency is made to work, Britain cannot stand aside. Gordon Brown, the shadow chancellor, is a powerful proponent of the economic case, partly because he wants to reassure the financial markets before the election. A well-timed decision to scrap the pound could also split the Conservatives irrevocably.

But there are divisions too within Labour. Mr Blair knows that if he chose to be among Emu's front-runners the issue would swamp the first two years of his premiership. Nothing else would count. And he too remembers what the ERM did to Mr Major. So his present view remains that Britain would much more realistically join later, towards the end of the next, or the beginning of the following parliament.

So you see now the purpose of the collusion. I suppose we should not be surprised that Mr Major and Mr Blair have chosen to cloak their different dilemmas in the language of pragmatism. Perhaps it is naive to expect them to consult the voters in anything but the most superficial of terms. But this is a big issue. The convenience of the politicians should not be allowed to displace serious debate.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Russia must not let reform drive falter again

From Mr Vladimir Reznichenko.

Sir, Indeed, as your editorial ("Boris Yeltsin's famous victory", July 5) stated, July 3 provided a "famous victory" for the Russian president. The road of transformation has now been cleared of all obstacles and Russia has one more chance to progress towards a civilised and prosperous society.

It is only natural that the uncertain political situation has been affecting Russia's economic performance. Now that the choice between democracy and a return to communism has been decided in favour of the former, the country can concentrate on its economy and try and attract major investment.

Clearly the feeling of impending doom has not swept the whole of society. Recent hardships notwithstanding, Russians spoke up in favour of socio-economic transformation and against a return to the totalitarian past. The main task for the president and his followers is to back up the results of the vote with practical political, social and economic steps to make Russia's transformations of the past decade truly irreversible.

The young Russian democracy dealt two heavy blows at totalitarianism: in August 1991 and October 1993 when the opponents of the reform drive appeared to have been crushed.

But the authorities proved to be too lenient, failing to push home the advantage and allowing the reform drive to falter. This must not happen a third time.

At the same time, the president cannot avoid taking decisive steps to consolidate a nation that is split. Should the legitimate interests of those who voted for Gennady Zyuganov not be met, Russia will surely never live to see a durable social peace.

Vladimir Reznichenko,
Russian Information Agency (RIA)-Novosti,
4 Zubovsky Bulvar,
Moscow,
Russia

Quality better than quantity

From Mr Owen Simon.

Sir, I hope that John Gummer, the environment secretary, is sensible enough to reject the proposal to build the biggest skyscraper in Europe in the City of London ("328m skyscraper planned for City", July 6).

No matter how distinguished the architecture, such a building would be bound to have a crushing impact on the rest of the City because tall buildings generate more externalities than not so tall ones; transport congestion, adverse wind effects, blocked views and negative impacts on the amenity of existing buildings are all common consequences. There is also the aesthetic aspect to consider because the skyline of the City of London, so carefully conceived by Wren, has been utterly ruined by insensitive post-war office development.

Business location is far more dependent on the perceived quality of life a city can offer than the number and size of skyscrapers it contains. Perhaps this is why Paris and Amsterdam, two cities with relatively unspoiled city centres, are consistently rated as among the best European cities for business location.

Owen Simon,
106 Elborough Street,
London SW18 5DL, UK

Refine, not fudge, procedures for Emu

From Mr Robert McDowell.

Sir, Your editorial "Fiscal fudge threatens Emu" (July 4) and Lionel Barber's article "Move to fudge Emu procedures halted" (July 1) summarise the political, but not economic fudge. For example, the Commission takes gross figures reported by each country, but ignores that some of the debt is owned by governments themselves, ranging in amounts from 9 per cent to 26 per cent of national debt. This is not a level playing field. There are other anomalies. Luxembourg, the only country compliant with the Maastricht criteria, lacks what for others is essential, its own currency, exchange rate and domestic inflation rate.

The aim of Emu is monetary union to guarantee peace, but based on similar economics which after the first world war led to the second world war! If the suggestion of Theo Waigel, the German finance minister, is followed that all EU states must rapidly achieve balanced budgets, a view endorsed by the UK's chancellor of the exchequer, Kenneth Clarke, post-Emu politics will be extreme. On July 1 you reported ("Biggest spending boom in decade predicted") that a group of economists using the Treasury's model found the cost of joining Emu in 1999 would in the UK alone mean 500,000 fewer jobs, 3 per cent loss of gross domestic product and 17 per cent higher income tax. There are also knock-on effects to be considered of other countries making similar cut-backs.

Balancing budgets without tax rises requires public spending to be cut by 20 per cent. Today, in the UK and other EU states budget deficits (new debt issuance) equate almost exactly to the amounts required to pay for matured debt and the interest on outstanding debt. Likewise, tax revenues are in almost precise balance with the cost of public services while budget deficits cover debt servicing. Balanced budgets would mean debt servicing becomes a tax and governments not allowed to employ financial assets, except in short-term Treasuries.

What proponents of balanced budgets must explain is why government debt issuance is so wrong it must be cut quickly to zero and how this is justified by lower GDP, the cut-backs in public services and higher unemployment. Entry costs of meeting Maastricht criteria are already severe; balanced budgets would be a disaster. If we must have Emu, surely refining, not fudging, the criteria is good to pre-empt the "serious ingestion later on" your editorial feared is the price of fudge today.

Robert McDowell,
2A Gresham Road,
Cambridge CB1 2ER, UK

Librarians stamped with inappropriate image

From Mr Duncan J. Mckay.

Sir, It is a shame that Richard Poynder's excellent piece on the Z39.50 computer protocol, "Surfing the index" (Technology, July 9), has been spoiled by the selection of a most inappropriate cartoon.

While Roger Beale's cartoon, "Muriel's strength . . .", may be considered amusing in isolation it is not, I feel, appropriate to the subject matter of the article. Indeed, librarians and information scientists do "bring order to chaos" by means of classification systems.

However, while not wishing to be seen as elitist, I feel that it should be noted that professionally qualified information staff do not perform this function by "stamping" anything with rubber stamps.

Duncan Mckay,
82 Sedgwick Street,
Cambridge CB1 3AL, UK

Europa · Joost Smiers

The right values for the euro

There has been too much secrecy and not enough debate about the design of the EU's currency

The debate over the European Union's plans for economic and monetary union continues. Meanwhile, the European Monetary Institute, the nucleus of the future European central bank, is busy planning a series of seven European banknotes that will be in circulation by 2002.

The governors of the 15 European central banks who make up the institute's board have invited around 30 designers in EU member states to submit designs. However, the rather vague terms of the commission suggests there is a sad shortage of ideas about what the EU stands for.

The institute has selected two possible themes: an abstract/modern design or ages and styles of Europe. The former would involve the sort of design used on some banknotes in northern European countries. The latter would reflect the EU's common cultural heritage. The institute suggests the banknotes could represent a period of Europe's history, perhaps incorporating portraits of important figures associated with the age.

The only definite requirement is that the design must incorporate a series of security features to reduce the opportunities for forgery.

The institute seems to be saying: "We have no idea how to encapsulate the image and ambience of a united Europe in a series of seven banknotes. Designers, do you have any ideas?"

Mr Anthon Beeke, the Dutch designer, has called this style of commissioning the "grapeshot" approach. It seems like a reflection of philosophical impotence among those responsible for the biggest public design assignment at the end of this century. It is embarrassing to see how responsibility has been shifted to designers whose role is not to decide what is shown on such banknotes.

It also raises serious problems about how agreement will be reached on what should be depicted on the notes. Why, for example, portray a Swedish scholar but not a Greek? Why reject an Italian futurist but depict a Flemish painter?

And a cynic might say there is probably more common European ground in images of the second world war, or of the Dutch war against Spain. But of course that would be counterproductive: banknotes and coins are supposed to radiate stability.

The designs of notes and coins have always played a part in presenting the public image of those in power. The aim is to reassure the user that the authorities can provide for their security, welfare and culture – as well as guaranteeing the value of their money.

A host of different solutions has been found, including depictions of the sovereign, historical figures, scenes portraying society in a positive light, and buildings that imbue the nation with a sense of pride. The use of more abstract designs reflects a desire in some countries to demonstrate modernity and technological superiority.

So what should the currency of a united Europe depict and what kind of feeling should be projected? One solution would be to reflect the freedom of movement of people, goods and services at the heart of the single market. Indeed, it is in the interests of such free movement that many people believe a single currency is necessary.

But depicting aspects of economic life on banknotes is a risky business. In a free market, after all, a proud bastion of the economy can disintegrate from one moment to the next.

If economic exchange is not a potential theme for the new banknotes, then what about the common legal framework in which economic and social relations take place? It is the state as the embodiment of the rule of law that gives commerce in Europe its stability. And that stability is anchored in the norms and values in the European Convention on Human Rights and many other European institutions.

Since seven denominations of euro notes are planned, I would propose each should represent one of seven cardinal values: the rule of law, democracy, protection of the individual, social equality and freedom from want, sustainable development, cultural diversity and non-discrimination, and freedom of communication and equal access to means of communication.

These themes are fundamental to Europe, or at least they should be. How should they be depicted? Naturally, the easiest solution is to let the designers think of ideas themselves. But here too, the initial responsibility lies with the authority commissioning the design. It is up to them to specify the tone of the notes. Should they be moralistic? Should they be funny? Sober? Chic?

In short, a choice has to be made – and not by the designers who should concentrate on their role of transmitting the commission into a design.

Indeed, there is a danger that left to themselves, designers will tend to reflect the values of the commercial sector which are quite different to those that ought to be reflected in communicating public matters.

For example, the central principle of democracy is that everyone is equal; commerce is about exclusion – winning and losing. Democracy is a slow process; trade is about seizing opportunities, even if this means ignoring social and cultural interests.

Naturally, these two worlds should be presented in different ways. However, commercially inspired images have become so dominant that designers find it increasingly difficult to create images and ambiences not touched by these influences and reflecting public norms and values.

However, the failure to consider such issues reflects the secrecy with which the project has been organised. Even the names of the 30 designers have been kept secret (though those of the Dutch contributors, Ootje Oxenaar, Joop Drupsteen and Inge Madlé, have been published).

The whole process is being controlled by the 15 governors of the EU's national central banks. This is unacceptable for such a public project. It would, of course, be hardly practical for all 360m Europeans to decide on the terms for the design of the euro. But the currency under consideration is a public matter, as are the values that the notes will project.

Surely the central banks and the European Monetary Institute should have launched a public debate. Then the designers could have been left to translate the results into powerful images that would have reinforced the unity of Europe.

The author is director of the Centre for Research at Utrecht School of the Arts.

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FINANCIAL TIMES

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Friday July 12 1996

The long arm of America

The US threat to deny entry to executives and shareholders of Sherritt International, a Canadian mining company accused of infringing the newly enacted Helms-Burton law, would be enough on its own to warrant an international outcry. However, the incident is only one – and by no means the most disturbing – manifestation of a US policy trend, to which other governments need to give a firm and vigorous response.

The exact form of that response will depend on whether President Bill Clinton decides next week to waive Title Three of Helms-Burton, which authorises private US court cases against foreign companies and others "trafficking" in confiscated Cuban assets. His refusal to do so could unleash an uncontrollable flood of litigation which would imperil the property rights of foreign investors in the US and jeopardise relations with trusted allies.

In that event, it would be imperative for the European Union, as the world's largest trading power, to present a united front. At the least, it should challenge the legality of the US legislation in the World Trade Organisation. It should also plan graduated retaliation while ensuring it complies with WTO rules. Among the options are stricter visa and work permit rules for US executives visiting Europe; legislation entitling European companies to countersue US-owned companies for damages awarded by US courts; and trade sanctions in sectors such as aviation and telecommunications, where the WTO's rules and disciplines do not yet apply.

Some in Britain might baulk at a Brussels initiative directed at Washington. They need to recognise that the UK, as the biggest foreign investor in the US, has most at risk, while its influence on US policy is negligible. Furthermore, failure to stand firm this time would encourage further US attempts to impose its laws on the rest of the world. Already, Congress is working, with administration support, on a bill to permit sanctions on foreign investors in Iran and Libya.

Even if Mr Clinton waives Title Three of Helms-Burton, his readiness thus far to acquiesce in extraterritorial legislation has compromised his authority over US foreign policy. At worst, he risks surrendering it to myopic sections of Congress, who seem to think that the US should deal with rogue regimes, such as Cuba and Iran, by bullying its allies.

Other governments need to remind the US forcefully of a fact that its own legislators appear to have overlooked: it is part of an integrated global economy, on which its own prosperity increasingly depends.

If it persists in playing the lone cowboy, it will invite reprisals against its own commercial interests abroad. Ultimately, it will undermine the rules governing the conduct of international economic and trade relations. Those rules operate to the advantage of all countries. The US is no exception.

Long Term trend

It is always rash to assume that change can happen suddenly or quickly in a country such as Japan, but yesterday's announcement that Long Term Credit Bank is preparing to sell some of its corporate equity holdings could turn out to be a defining moment in Japan's financial history.

If other banks follow suit, a trend would begin that would lead to the unwinding of the complex cross-shareholdings that have underpinned Japan's post-war development. That would be welcome because Japan is ready for a more open financial structure.

Bankers should be concerned with banking, not with owning chunks of other industries. Deutsche Bank has found with Metallgesellschaft and KHD that the experience can be costly. Japanese banks have had fewer industrial upsets but their corporate holdings have tied up capital for a pretty poor return.

Moreover, the practice has led banks to rely excessively on unrealised capital gains to bolster their capital base. Their true position is not transparent and capital fluctuates with movements in the stock market. That would change if corporate holdings were sold off and capital gains realised.

Banks would then be able to deploy their capital more efficiently. There would also be increased competition. With fewer captive customers, banks would jostle for business and companies could choose the best deal.

Competition would also increase in the securities business. It is probably no coincidence that LTCB, one of the more dynamic commercial banks in this area, has chosen to focus initially on divesting its holdings in securities companies. That does not necessarily mean a visceral aversion to securities business: it suggests a recognition that it is more sensible to invest in one's own business than in one managed by others.

There are risks, of course. One is that banks will use capital freed through equity sales to go on a lending spree. But this seems unlikely after the damage inflicted by the property bubble.

Another is that, as cross-shareholdings are unwound, Japan will lose the long-termism that has been a source of economic strength. Banks will look for deals that provide a quick return. Corporate managers could find themselves at the mercy of new shareholders seeking short-term performance, just like their counterparts in the Anglo-Saxon world.

Even if LTCB is sparking a trend, it will take a long time to reach that point. The prospect of banks off-loading equity holdings will weigh on the stock market. Any move to divest would have to be undertaken gradually. But the overhang of shares is not a reason to shy away from a more focused and more competitive approach to banking. Indeed, with the Nikkei 53 per cent above its trough, now is as good a time as any to start.

French judges

Top people in France are not more corrupt than their peers in other western countries, but of late quite a number of them seem to be visiting the penitentiary.

France's railways are now run from the Santé prison, where their chief executive, Loïk Le Floch-Prigent, is being interrogated about alleged abuses in his previous job. Alain Carignon, the former Gaullist cabinet minister convicted for fraud, had his jail sentence increased this week by an appeal court; while a former Socialist minister, Bernard Tapie, is almost certain to go to prison.

Behind this crackdown on corruption lies a fierce struggle between politicians and judges. It was the French philosopher, Montesquieu who first identified the separation of powers – executive, legislative and judiciary – as an essential ingredient of political freedom. But the principle has never been fully applied in France, any more than in England (where Montesquieu believed he had discovered it).

In both countries, the executive has retained a degree of control over the judiciary, because it appoints the judges. But governments know they must promote judges who command the respect of their peers.In France, a constitutional reform of 1993 requires the president to appoint judges on the proposition of the Higher Council of Magistrates.

But that reform has left the way open for much conflict. Judges are up in arms against pressure from Mr Chirac and his justice minister, Jacques Toubon, to get their own candidates nominated to top judicial posts. At a meeting of the magistrates' council this week Mr Chirac agreed to postpone the most controversial appointments, while insisting on his right to vote upon them, as well as on his position as constitutional "guarantor" of their independence.

This is not how many judges perceive him. There is a kind of guerrilla war between the government and the magistrates investigating corruption cases, especially those involving the municipality of Paris, run by Mr Chirac and his prime minister, Alain Juppé, until they assumed their present jobs.

Mr Toubon has shelved one investigation, and removed another from the control of an over-zealous magistrate. He has also attacked magistrates for leaking their findings to the press. Meanwhile Mr Juppé has dropped the code established by his predecessor, Edouard Balladur, who insisted that ministers and senior officials must resign if placed formally under investigation for corruption. It is as a result of this that Mr Le Floch-Prigent can continue to head the French railways from his prison quarters.

The French government has stumbled into a mess in trying to mobilise public opinion against the judiciary. The moral is that politicians should read Montesquieu and mark his wisdom.

Birthpangs of a colossus

Stefan Wagstyl and **Neil Buckley** on the latest attempt to create a legal structure for European companies operating throughout the EU

The European Union is edging closer towards tackling one of the oldest and thorniest issues on its agenda – allowing multinationals to create European companies to replace the multiplicity of national holding companies in the 15 member states.

At first glance, nothing would seem more logical than allowing multinationals to operate freely across borders in the EU. They would avoid the complex tangle of national corporate laws and bring the much-vaunted single market a step closer to reality.

In place of PLCs, SAs, NVs, GmbHs and AGs – along with national boards and layers of national managements – there would be a single *Societas Europaea*, or SE. The European Commission estimates the savings in discarded red tape could reach $30bn.

The European company is easier to create on paper than in practice. The Commission has been promoting the concept of the European company statute for 26 years. Successive presidents have put it on to their agendas, only to see it founder on arguments between the member states over matters such as workers' rights.

However, the supporters of the European company believe their day might soon come. The latest push has come from European business leaders who have added their weight to the long-standing enthusiasts in the Commission.

They include Sir David Simon, the chairman of British Petroleum, Mr Percy Barnevik, chief executive of ABB, the Swiss-Swedish engineering combine, and Mr Berndt Pischetsrieder, chairman of BMW, the German motor manufacturer. The campaign has backing from US companies in Europe, including Eastman Kodak, the film manufacturer, and Dupont, the chemicals group.

Mr Nils Trampe, director of social affairs at Unice, the European employers' federation that has lobbied in favour of the statute, says an agreement this year would be "beautiful". "It is just too bad that something so important for European companies and competitiveness has been held up for so many years," he says.

Unice believes the European company statute is the logical extension of the EU's single market. Company law directives dating back to 1968 already set down guidelines for disclosure, shareholders' rights and the preparation of annual reports.

More broadly, supporters of the European company statute argue it will enable businesses to respond better to the pressures for economic globalisation, particularly in competing with American groups, which benefit from the US's more integrated legal structure. As BP says: "We want to operate here as Exxon and Amoco do in the US."

But business does not speak with a single voice. While the German Federation of Industries (BDI) says it supports the European company statute, the Confederation of British Industry says its members are "lukewarm". In France, the Patronat, the employers' body, says it has more important issues on its plate. Even multinationals are not united in supporting new EU company laws. Many companies argue that business is best served by the efforts to harmonise international rules for company behaviour through bodies such as the International Accountancy Standards Committee.

Sir Colin Marshall, chairman of British Airways, said in a speech at an international corporate governance conference last month that pursuing harmonisation through international – not regional – co-operation was the right way forward. "I believe we should have a two-tier governance system, one at a national level and the other international. The EU, for instance should not be searching for EU-specific governance rules, but putting forward Europe's case for global practices and guidelines."

The Commission believes international harmonisation of rules goes hand in hand with closer integration within the EU, including the European company statute. However its real battle is not with dissenting business voices but with member governments.

The Commission's proposals would allow any public limited company with a subsidiary in another EU state for at least two years to transform itself into a European company. Networks of national companies could merge or set up a European holding company.

What holds up agreement is that companies do not exist in isolation but are embedded in the social life of countries. As Mr Charles Latham, a CBI official, says: "Companies are cultural creations. There are differences of approach between countries which are pretty fundamental."

Chief among these are divisions over the proposed statute's provisions on worker information and consultation.

Germany, at one end of the spectrum, insists these must be comprehensive. It wants not just consultation rights enshrined in the statute but the right of workers actually to participate in management.

The UK, at the other end, rejects compulsion even on worker consultation. Its opt-out from the Maastricht treaty's social chapter exempts it from existing EU legislation on the issue – the controversial European Works Council Directive. The directive obliges multinational groups with more than 1,000 employees to set up bodies for informing and consulting workers.

The latest attempt to break the impasse dates started in November. Mr Padraig Flynn, social affairs commissioner, working with Mr Mario Monti, single market commissioner, proposed removing the worker consultation clauses from the legislation and putting them into a separate framework.

Recently, however, efforts to push the statute through have been given new impetus by Mr Jacques Santer, the Commission president, who named it in a list of priority measures in his "confidence pact" to reduce unemployment. He set a target of this December for ministerial agreement – included in the official conclusions of last month's Florence summit of EU leaders.

"There is now a window of opportunity," says one Commission official working on the dossier. Social affairs and internal market ministers will renew attempts to sort out their differences at meetings in September and October.

Some observers say a possible, if not wholly satisfactory, compromise might be for ministers to drop the requirement to consult workers and allow the statute to proceed, and deal with the issue of consultation separately. Meanwhile the works council directive would apply to all European statute companies, including those registered in the UK.

That would at least usher in the age of the *Societas Europaea* while pushing further discussions on employee consultation into the future – by which time the UK might have a different government.

Ireland has previously been part of the blocking minority to the statute, echoing the UK's line, but recently showed signs of softening. Agreement on one of the EU's oldest unrealised pieces of legislation would be a nice trophy for the current six-month Irish presidency.

However, even if EU members reach a compromise on worker participation, other important hurdles remain if the European company is to operate freely. Chief among them is tax. Governments mostly insist multinationals create national holding companies so that the amounts of tax can be clearly assessed. Multinationals have long argued that differences between tax regimes greatly complicate business and add costs.

For example, Unilever, the Anglo-Dutch foods-to-detergents group, says the best answer is a supranational EU tax, sharing the proceeds among member states. But governments are loath to involve the Commission in any such arrangements, for fear of limiting their own tax-raising freedoms. The detailed co-operation required to administer fully-functioning European companies would require even more constraints on national tax authorities.

There would also need to be much more harmonisation on the nitty-gritty of company laws. For example, after 30 years of effort Europe still does not have an agreement on bankruptcy regulations. A bid to create such a convention failed recently during the British blocking of EU decisions in the BSE crisis. But even if it had passed it would not have harmonised existing national rules. It would merely have established the rights other countries would have in the event of a bankruptcy in one member state.

It would be tempting for the Commission to skate around some of these issues, as it has proposed with worker participation. But if the European company statute is robbed of its practical impact then it cannot fulfil its role in furthering economic integration. As Mr Bill Knight, senior partner-elect of Simmons & Simmons, the London law firm, says: "If you take everything out, you are left with a PR exercise."

Additional reporting by David Owen and Wolfgang Münchau

· OBSERVER ·

Lies and Eurostatistics

■ Eurostat, the European statistical agency, delivered a heavy blow to Portugal's self-esteem last week with figures that showed it had fallen to the bottom of the EU's league table for GDP per capita.

Overtaking Greece less than a decade ago had been a source of immense pride. Hence copious gloomy analysis in the front-page newspaper stories that splashed the Eurostat figures.

These showed that Portugal's GDP per capita had fallen from 68 per cent of the European average in 1994 to only 60 per cent last year, while the figure for Greece had risen from 62 to 68 per cent. Knowing comments were made about the costs to the real economy of the Maastricht convergence criteria. The government, elected only nine months ago, put on a brave face and said things were getting better.

And they did. This week Eurostat put out a corrected version of the chart showing that Portugal was still ahead of Greece because its GDP per capita last year was in fact 67 not 60 per cent of the European average. Data for the last quarter of 1995 had been mistakenly omitted from the original calculation, the agency explained.

Not that Eurostat has it in for the Portuguese on a consistent basis. In 1994 it had the country down for GDP growth of 6.6 per cent – before correcting that to 1 per cent.

Golden girl

■ Peter Munk's Barrick Gold might be thought to be taking a bit of a gamble with yesterday's hefty US$870m bid for Arequipa Resources of Vancouver. For Arequipa, a mere four years old, has no mines, and its main exploration property in Peru has yet to be fully sampled.

All the same, Munk may turn out to have made a canny choice on where to place his chips. Arequipa's founder and chairman, David Lowell, is something of a legend in the mining industry. Lowell, now in his late 60s and living in Arizona, is credited with the discovery of Chile's Escondida, the world's biggest copper mine. Another Arequipa director is a former president of Placer Dome, another respected name in the gold business.

Arequipa's chief executive, Catherine McLeod, is among only a handful of women in the upper echelons of the mining business. Mining certainly runs in the veins. Her father heads another small Vancouver mining company and her brother is a mining engineer. Instead of spending holidays on the beach, the McLeod family used to head for old mining camps.

McLeod, who is in her late 30s, will do well if Barrick (or someone else) ends up buying Arequipa. The bid values her stake at almost C$9m, not counting several million dollars worth of options. A reasonable reward for those missed sand castles?

St Daewoo's day

■ Excuses for national holidays can often be quite inventive. But Uzbekistan has gone one better by declaring July 19 a national holiday in honour of a foreign company. Step forward Daewoo, which seems to have qualified by opening a $650m car factory. The gesture is apparently meant to underscore the importance of South Korea as the largest foreign investor in the central Asian nation.

But the Korean government is staying pretty cool about the whole thing. "Uzbekistan is providing appropriate treatment for a company that is investing a huge sum in a risky market," was the somewhat sniffy response of an official at the ministry of trade and industry in Seoul.

US neutrality

■ The US has an official policy of "neither encouraging nor discouraging investment in Burma". But you would never know that from a visit to the commercial library inside the tightly-guarded US Embassy in Rangoon. Prominently posted on the bulletin board are media cuttings of announcements by US companies of their decisions to withdraw from the country due to pressure from consumer groups outraged at the military regime's human rights record.

Detailed updates on sanctions legislation pending in the US Congress are also provided and a local embassy employee pushes two photocopies into the hands of a visitor: an "unclassified" report on the perils of doing business in Burma, including the lack of support US investors will receive from their government.

Also "unclassified" and available for visitors is a 1994 special report by The Economist on Democracy and Growth entitled "Why Voting is Good For You". It's called preaching to the converted.

Class act

■ It's possible to be too honest. Granada circulated Forte first mortgage debenture holders concerning the substitution of Granada for Forte as principal debtor following the completion of the bid.

Inter alia, it points out that "Barings Brothers Limited consider(a) that the Substitution is in the best interests of the stockbrokers as a class". Could that possibly be stockholders?

Financial Times

100 years ago

The United States Election
The Democratic Convention was a scene of great excitement and disorder after four hours devoted to speeches and the nomination of candidates. The demonstrations over the names of Bland, Boles and Bryan rivalled one another in intensity and fervour. A young woman dressed in white led the demonstration in favour of Mr Boles from a front seat in the gallery, where she waved a banner. She was conducted by excited delegates to the platform, and thence was almost carried to the Iowa delegation, waving her banner until almost exhausted. At the fifth ballot Mr Bryan obtained the requisite number of votes, and was accordingly nominated as the Democratic candidate for the presidency.

50 years ago

China To-day
Life in Shanghai is vastly different from the old days. Shortly after the defeat of the Japanese, Shanghai was a cheap place to stay in. At the same time Kunming was the most expensive place in China. Kunming is now about he cheapest place in China and Shanghai probably the most expensive in the world. The cost of living is 4,000 times that in 1936, but the number of Chinese dollars to the pound is only 500 times greater.

FINANCIAL TIMES
Friday July 12 1996

EU broadcasters in fight to keep cartel exemption

By Neil Buckley in Brussels and Raymond Snoddy in London

The European Broadcasting Union, the club of public service broadcasters such as the BBC, said last night it was considering an appeal against a European Court ruling that cast serious doubt on its right to buy exclusive broadcasting rights.

The court annulled a European Commission decision in 1993 to give the EBU a five-year exemption to the European Union's competition rules which ban restrictive business agreements.

The ruling was a victory for a number of commercial broadcasters such as Metropole Television of France and Reti Televisive of Italy and means that the Commission will have to examine the issue again.

The court decision raises uncertainty over the future of long-term multi-billion dollar deals to screen major sports events such as the Olympic Games. In January the International Olympic Committee agreed a $1.442bn deal with the EBU to keep the summer and winter Olympics on "free" television until 2008, even though Mr Rupert Murdoch's News Corporation had bid $2bn.

Last night the EBU said the ruling would not affect existing deals. Lawyers for organisations such as BSkyB, Mr Murdoch's British satellite venture, were studying the judgment to see if a legal challenge could be mounted to the Olympics deal. The European Commission may also appeal against the European court ruling, although it said its legal experts still had to examine the detail of the 30-page judgment.

But Mr Karel Van Miert, competition commissioner, has told staff to study all exclusive television rights deals, including existing arrangements and forthcoming ones such as Sportkanal, a planned Dutch sports channel.

His findings could have important implications for sports broadcasters. Mr Van Miert is already examining the broader issue of how public broadcasters are funded.

The Commission in 1993 granted the EBU a five-year exemption from article 85 of the Treaty of Rome, which bans cartels or market-fixing arrangements.

Private broadcasters challenged the exemption in the Court of First Instance, a branch of the European Court of Justice.

Its 15 judges said the Commission had not justified the need for clubbing together to bid, given that some EBU members were private and profit-making.

Legal experts fear existing deals may still be threatened. "The exemption has been the basis of the assumption of the sports and media world for the past 2½ years," said one Brussels lawyer. "There is going to be a fair bit of uncertainty."

See Lex

Renewed violence as police give in to Ulster marchers

By John Kampfner and John Murray Brown in Portadown

The UK government yesterday yielded to Loyalist pressure and allowed the Orange order to parade past a Catholic neighbourhood in Northern Ireland, sparking pitched battles between residents and police and criticism from nationalists across Ireland.

The sudden retreat by the province's Royal Ulster Constabulary was designed to head off possible bloodshed between police and Protestants.

Instead, it plunged Northern Ireland into further sectarian strife, with a Catholic backlash in Portadown spreading to Belfast and other areas.

The UK government was widely criticised for surrendering to intimidation. Mr John Bruton, the Irish Republic's prime minister, said he had urgently demanded an explanation from his British counterpart, Mr John Major, for a "very mistaken" decision. Mr John Hume, leader of the moderate nationalist Social Democratic and Labour party, accused Sir Patrick Mayhew, the UK Northern Ireland secretary, of capitulating to four days of "Protestant mob-rule".

Politicians on all sides acknowledged that the events of the week had left Ulster's search for accommodation between the two traditions in tatters. Yesterday's volte face by the RUC reinforced Catholic perceptions of discrimination.

Last night, republican youths ran amok in Belfast, hijacking and setting alight cars. As Loyalists prepared for their most important commemoration of the year – the defeat of James II by William of Orange at the Battle of the Boyne in 1690 – community leaders appealed for calm.

Further trouble is expected this morning in Belfast's Lower Ormeau Road.

Sir Hugh Annesley, RUC chief constable, said he had reversed his original decision of last Saturday not to allow the Protestants to march down the Garvaghy Road because he feared "serious loss of life".

Sir Hugh appealed to ministers to address the marching issue, and not to leave such sensitive decisions entirely in police hands. He said he and his men were "sick to death" of being put in an "unwinnable situation".

Sir Patrick told MPs the government was looking for an "independent and external eye" to arbitrate on marching disputes.

Mr Gerry Adams, Sinn Féin president, said the British U-turn made the search for a political settlement "more difficult". He said London had "clearly and patently" made a political decision to allow the march through.

"There is one law for nationalists who don't have rights, and another law for extreme unionism and orangeism," he said.

Japan bank to ease ties with large companies

Continued from Page 1

to reducing its investments. It denied newspaper reports that the total reduction could be as much as Y500bn, but confirmed that the cut would be significant.

Leading candidates for a sell-off appear to be shares in the country's securities companies. LTCB is the third largest shareholder in Daiwa Securities and the sixth largest in Nomura Securities, two of the "Big Four" brokers. Both regularly handle issuance of the bank's debentures, its principal source of funding.

Shares in the two companies were sold heavily yesterday following news of the LTCB decision, Daiwa closing Y20 down at Y1,320 and Nomura also off Y20 at Y2,030. LTCB's share price fell Y11 to Y800 as investors anticipated retaliatory action by the brokers and other companies.

But the longer-term threat may be to the structure of Japanese industrial organisation. The system of cross-holdings, in which banks maintain large strategic shares in their customers, has come under pressure in the long financial crisis banks have faced over the past few years. With share prices still high relative to earnings and dividends, the yield on these assets is very small. Banks are under pressure to improve their weak earnings and the move to higher-yielding assets should assist them.

In the past, the benefits of relationship holdings were thought to outweigh the poor financial returns achieved for shareholders, but banks are now being forced to reconsider the merits of the system.

It is unlikely that any early moves will make more than a small impact on the overall structure since banks own almost a quarter of all equity.

US doctors prepare to test triple HIV drug treatment

By Daniel Green in Vancouver

US doctors are on the verge of establishing whether the latest combinations of drugs can permanently eliminate HIV, the virus that causes Aids, following the release of research showing that the therapies have reduced the virus by more than 99 per cent.

The landmark tests to establish whether a cure has been found are expected to be conducted as early as October by New York doctors who have been treating newly infected people with the powerful "triple combinations" of drugs.

By September, one patient will have been on triple therapy for a year. He will then be offered a biopsy, in which a sample of cells is taken from the body, to see if there are any dormant viruses left.

If there are none, the patient will be asked if he wants to stop the triple therapy.

Without withdrawing the therapy, it would not be possible to say that the patient was cured, said Dr Martin Markowitz of the Aaron Diamond Aids Research Centre in New York at the last day of the Vancouver Aids conference yesterday.

He warned that if eradicating HIV were possible, it would probably be much easier in newly infected patients. Like cancer, he said, Aids could be a disease that was effectively curable if caught early enough.

If the experiment is successful there will be a new set of benefits and problems to contend with. The fears of Aids activists over the toxicity and expense of indefinite triple therapy could be assuaged.

They also fear the difficulties of starting widespread screening to catch people exposed to HIV as early as possible.

It could also be a boost for the drugs companies making the components of the triple therapies. They include Merck and Abbott Laboratories of the US, Roche of Switzerland and the UK's Glaxo Wellcome.

Products made by the first three companies have been the stars of the conference, which was attended by 15,000 delegates. These "protease inhibitors", when given with an older class of drugs, of which Glaxo's AZT is the best-known example, reduce virus levels to below what laboratory tests can detect.

The protease inhibitors have attracted criticism from some Aids activists who say they are too expensive – a year's triple therapy costs between $10,000 and $15,000. They also say that the side effects, which can include kidney stones or diarrhoea, had been underplayed by drugs companies.

Roche and Abbott seek Aids drugs go-ahead, Page 15

THE LEX COLUMN

How now brown Dow

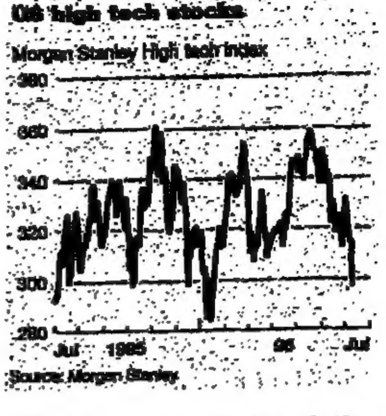
Digital Equipment's huge restructuring charge earlier this month could be viewed as an isolated phenomenon; after all, the computer group has a chequered history. One could treat Motorola's earnings slide merely as an indication of how tough the mobile communications and semiconductor markets have become. It is much harder to brush aside Hewlett-Packard's profit warning. America's second-largest computer group has an almost unblemished record, meaning poor management is probably not the explanation. Moreover, its business is well diversified – so the slowdown in orders growth cannot be pinned to problems in a few sub-markets. Worryingly, HP says the slowdown is across product categories and regions. It also says, ominously, that it is concerned there may have been a "fundamental shift" in demand.

Nevertheless, there is still a puzzle about what has happened. Not only is the US economy growing rapidly, as last week's employment data confirm; most European and Asian economies are picking up too. So it is not obvious that global demand in general is deficient. The most likely, albeit tentative, explanation is that growth of the high-tech industry is slowing. That, of course, would be bad for high-tech stocks. It would also be bad for US equities more generally, since much of the bull case over the past year has been built on the theory that America's prowess in high technology has boosted its long-run economic potential. With financial markets already jittery with expectation that the US interest rate cycle is about to turn, US equities may well be past their peak.

FT-SE Eurotrack 200: 1731.9 (-0.5)

US high tech stocks

Morgan Stanley High tech index



Source: Morgan Stanley

Sports TV

Mr Rupert Murdoch and Mr Leo Kirch must be delighted. In attempting to combat one broadcasting cartel, the European Court may have inadvertently left the way open for the two moguls to corner the market in European sports television.

The court's decision to stop Europe's public broadcasters clubbing together in the European Broadcasting Union to buy sports rights may look like a blow for a more competitive market. After all, most private broadcasters – though not Britain's ITV companies – have been shut out of the EBU's sports purchasing deals. The snag is that, unless broadcasters like the BBC and Italy's Rai can club together, they will be unable to bid for big international events like the Olympics. As individual national media groups, they simply do not have the resources or risk appetite to stump up the billions of dollars needed – even though they could recoup much of that by onselling the rights in other jurisdictions.

Mr Murdoch's BSkyB and the Kirch Group, which earlier this week joined forces in German pay-television, are best placed to clean up. With the EBU neutralised, they could snap up sports rights relatively cheaply.

The game, of course, is far from over. Rival bidders, notably Disney's ESPN sports channel, will still exist. The EBU may also find a way of resuscitating its club. Equally, the European Commission's review of sports TV rights could restrict Mr Murdoch and Mr Kirch. But, with both moguls adept at avoiding curbs on their activities by antitrust authorities, one should not count on it.

Japan

Is Japan's historic web of cross-shareholdings about to unravel? The decision by the Long-Term Credit Bank of Japan to sell a chunk of its Y2,500bn ($22.6bn) of equity holdings almost smacks of sacrilege. But it makes a lot of sense. The average yield on Japanese shares is a pathetic 0.7 per cent and by selling some holdings LTCB can switch the cash into more profitable assets. Alternatively it could cover non-performing loans. And selling stakes at a profit to book value will strengthen LTCB's capital ratios, which remain weak by international standards.

For those reasons alone, other banks should follow LTCB's lead. But there is another consideration. In recent years, most banks have been selling equities at their year-end, realising profits to help offset bad debts, and buying them back again. As a result, equity investments of the 21 leading banks are on average 2½ times the size of their shareholders' funds. That makes them vulnerable to stock market gyrations. If the Nikkei fell below 15,000, their capital would be wiped out. With the Nikkei at nearly 22,000 that is no immediate threat. But the banks clearly have a powerful incentive to reduce their exposure.

Even so, progress will be slow. The banks collectively own a quarter of Japanese equities and mass selling would drive down the stock market. In addition, cross-shareholdings have always cemented customer relationships. Most Japanese corporates like them because they provide stability and protection from takeovers. And rightly or wrongly, no bank would dare sell out against a client's wishes.

Eurotherm

The rumbling row at Eurotherm raises an important corporate governance issue: at what point should shareholders interfere directly in board decisions? At Eurotherm they are certainly calling the shots. Institutions owning 40-50 per cent of the company are, it seems, fighting for the reinstatement of Mr Claes Hultman, who was sacked as chief executive last week.

This is good and proper. In the first instance, it should be up to non-executive directors to sort out the kind of boardroom split that developed between Mr Hultman and chairman Mr Jack Leonard. But in this case they manifestly failed. Instead of defusing the crisis, the non-executives lined up against Mr Hultman, who was responsible for turning the company around. The result was his departure and a 12 per cent drop in the share price. At that point, shareholders were right to step in. They should, however, take some of the blame for not improving the quality of the non-executive directors as the company grew over the past five years. None of the group's four non-executives currently holds executive jobs elsewhere.

For Eurotherm, the best solution would be to bring back Mr Hultman. He has shown a talent for running the company and seems to have the support of the other executives. The trick will be to balance Mr Hultman's undoubted strength of character with the appointment of a high-quality non-executive chairman. After the events of the past week Mr Hultman should have little trouble accepting this. If he can be persuaded to come back, Mr Leonard and the other non-executives should resign.

Additional Lex comment on GUS, Page 18

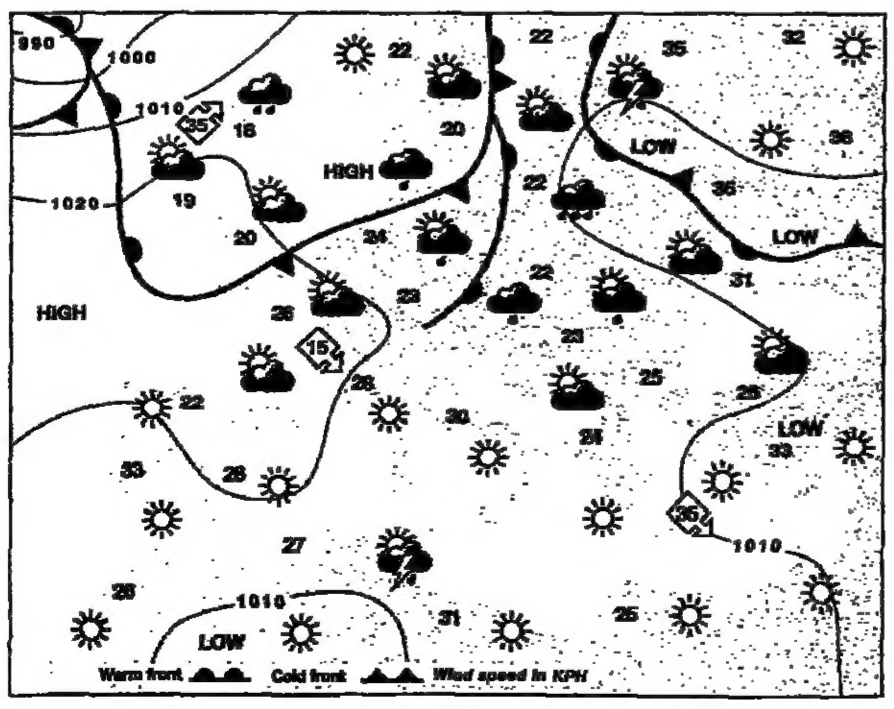
FT WEATHER GUIDE

Europe today

The Mediterranean will continue warm and sunny with temperatures between 25C-30C but central Spain, Turkey and the Middle East will see 35C. Greece will become cooler as a northerly breeze holds temperatures below 30C. Russia will have unseasonably high temperatures with readings reaching 33C in Moscow. This very warm air mass will trigger intense rain and thunder showers across the Baltic states and eastern Poland. Western Europe will have sunny periods but the most sunshine will occur in central England and in Ireland. Long sunny periods are expected in central France.

Five-day forecast

Most of western and central Europe will be fairly sunny because of a high pressure system. Temperatures will reach 25C from Paris to Munich and into Slovakia and the Ukraine. Southern areas will be mainly clear with temperatures between 32C and 35C in Spain and Portugal. Scandinavia will have cloud and intermittent rain. The British Isles will have light rain in Scotland but England and Wales will be mostly sunny.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	43
Accra	cloudy	28
Algiers	fair	26
Amsterdam	cloudy	21
Athens	sun	30
Atlanta	thund	33
B. Aires	cloudy	14
B.ham	fair	21
Bangkok	thund	34
Barcelona	sun	27
Beijing	cloudy	28
Belfast	fair	19
Belgrade	fair	22
Berlin	cloudy	21
Bermuda	fair	27
Bogota	thund	18
Bombay	shower	32
Brussels	fair	23
Budapest	shower	22
C.hagen	fair	20
Cairo	sun	32
Cape Town	cloudy	17
Caracas	fair	30
Cardiff	fair	20
Casablanca	fair	26
Chicago	shower	29
Cologne	fair	25
Dakar	fair	30
Dallas	fair	34
Delhi	fair	36
Dubai	fair	42
Dublin	fair	20
Dubrovnik	sun	24
Edinburgh	fair	13
Faro	sun	29
Frankfurt	fair	26
Geneva	fair	26
Gibraltar	sun	24
Glasgow	rain	18
Hamburg	shower	20
Helsinki	fair	21
Hong Kong	shower	32
Honolulu	sun	32
Istanbul	fair	28
Jakarta	cloudy	31
Jersey	cloudy	18
Karachi	fair	35
Kuwait	sun	45
L. Angeles	sun	25
Las Palmas	sun	27
Lima	cloudy	18
Lisbon	sun	33
London	cloudy	24
Lux.bourg	fair	24
Lyon	fair	27
Madeira	fair	26
Madrid	sun	33
Majorca	sun	27
Malta	sun	27
Manchester	fair	19
Manila	shower	33
Melbourne	shower	12
Mexico City	fair	23
Miami	fair	33
Milan	sun	27
Montreal	fair	26
Moscow	sun	33
Munich	shower	23
Nairobi	cloudy	23
Naples	sun	27
Nassau	fair	31
New York	cloudy	27
Nice	sun	27
Nicosia	sun	34
Oslo	fair	22
Paris	fair	26
Perth	shower	18
Prague	rain	22
Rangoon	shower	31
Reykjavik	rain	12
Rio	fair	27
Rome	sun	29
S. Frsco	fair	22
Seoul	fair	29
Singapore	shower	30
Stockholm	cloudy	21
Strasbourg	fair	26
Sydney	fair	14
Tangier	sun	29
Tel Aviv	sun	32
Tokyo	fair	27
Toronto	fair	27
Vancouver	sun	30
Venice	fair	25
Vienna	rain	22
Warsaw	shower	20
Washington	rain	26
Wellington	rain	10
Winnipeg	shower	23
Zurich	fair	23